

The NATIONAL UNDERWRITER



RETURN **TO** **HARD** **SELL**

An agent is primarily a salesman. He's got to be up and moving all the time. No salesman ever stumbled over sales sitting down! It's a return to hard sell today. Over are the days of plenty, with lush business to be had merely for the writing. Planning and selling are the new order of the day.

Mr. Local Agent can lay the ground-work for his leg-work by means of proven sales procedures like the survey-and-analysis of both small and large accounts on his books; the employment of direct-mail advertising as a business-builder and a business-producer; the use of newspapers and radio for general sales publicity purposes and for producing "leads"; plus other forms of advertising media.

To get a general idea of the advertising picture as applied to the producer, write for a copy of our April article in the American Agency Bulletin, entitled "Return To Hard Sell."

But before you commit your money to an advertising program, consult your company advertising manager. After all, he spends most of his time and quite a bit of his company's cash on advertising. He knows a lot about advertising generally and insurance advertising particularly. He certainly knows the fundamental points to keep in mind if the advertising buyer is to get the most out of what he invests. Always you will find him ready and willing to give you of his best.

NORTH BRITISH and MERCANTILE Insurance Company Limited

The PENNSYLVANIA FIRE Insurance Company

The COMMONWEALTH Insurance Company of New York

The MERCANTILE Insurance Company of America

The HOMELAND Insurance Company of America

150 WILLIAM STREET, NEW YORK 38, N. Y.

Atlanta
Detroit

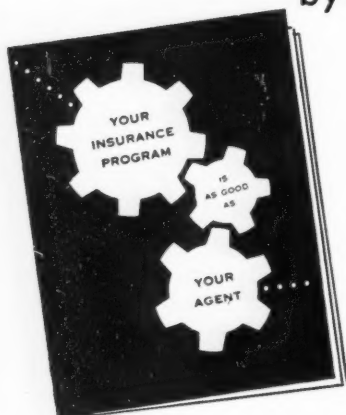
Philadelphia
Chicago

Boston
San Francisco

THURSDAY, APRIL 14, 1955

Tell your story with
**"YOUR INSURANCE PROGRAM
 IS AS GOOD AS YOUR AGENT"**

a completely **New** approach
 to your insureds and prospects,
 telling them the difference between
YOUR service and that offered
 by others



- Developed by the Royal-Liverpool Insurance Group to publicize the American Agency System.
- No Company Identification.
- Agent's name only appears throughout entire brochure.
- Agent can tell the story of HIS OWN agency in copy and photographs.
- Printed in four colors.
- Subsidized by Royal-Liverpool, brochures are offered at extremely low cost.

➔ for further details, write

Production & Market Research Dept.
 Royal-Liverpool Insurance Group
 150 William St., New York 38, N. Y.

Please send further details on your new brochure
 "Your Insurance Program is as Good as your Agent".

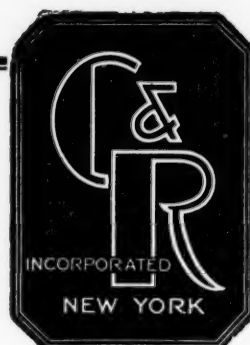
Name _____
 St. & No. _____
 City & State _____

ROYAL • LIVERPOOL

Insurance Group

CASUALTY • FIRE • MARINE • SURETY
 150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LTD. • ROYAL INDEMNITY COMPANY
 GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • NEWARK INSURANCE COMPANY • STAR INSURANCE
 COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE
 COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



**American Equitable Assurance Company
 of New York**

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

**Merchants and Manufacturers Insurance Company
 of New York**

Organized 1849

New York Fire Insurance Company

Incorporated 1832

CORROON & REYNOLDS, INC.
 MANAGER

92 William Street, New York 38, N. Y.

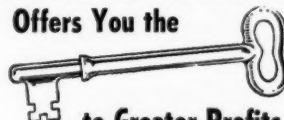
Losses paid exceed Three Hundred Fifty Million Dollars

THE NATIONAL MUTUAL INSURANCE COMPANY

in combination with

The Celina Mutual Insurance Company

Offers You the



to Greater Profits

With Their ALL NEW

COMPREHENSIVE DWELLING POLICY

This Is The Policy—

1. That you have heard and read so much about
2. That provides
 - Fire and Allied Perils
 - Comprehensive Personal Liability
 - Residence and Outside Theft
 - Personal Property Off Premises
 - Glass Insurance
3. That contains the **BUILT IN** premium discounts
4. That is designed purposely for the Owner-Occupied
 One or Two Family Dwelling type of risk

Fire and Allied Perils Required—

Other Coverages Optional

Packaged For Your Clients Needs

Designed To Put You Ahead Of Your Competitor

Desirable Territory Open to Qualified Agents

(Approved to date in Kentucky, Ohio and Pennsylvania Only)

We Invite Your Inquiry For More Details—

Agency _____

Location _____

DON'T WAIT... MAIL THIS AD TODAY TO:

THE NATIONAL MUTUAL INSURANCE COMPANY

Celina, Ohio

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 15
April 14, 1955

McConnell Decries Federal Invasion of State Regulation

**California Commissioner
Says Intent Evidently Is
to Discredit the Business**

Commissioner F. Britton McConnell of California, addressing the annual meeting of Pacific Insurance & Surety Conference at Palm Springs, denounced the invasion of the insurance business by government agencies, the federal trade commission in particular.

The basic philosophy of American business rests on salesmanship, but the standards of advertising set forth by

NEW OFFICERS ELECTED

President—Harold L. Baird, president United Pacific.

Vice-president—John T. Gurash, president Meritplan.

Secretary-treasurer—Charles W. Ferguson, vice-president Houston Fire & Casualty.

Board of governors—R. A. McGuire, Pacific Employers; Hugo H. Methmann, Fireman's Fund; C. R. Herda, Pacific Indemnity; Ralph L. Inglis, Founders.

FTC are nebulous, Mr. McConnell asserted, declaring it is evident that it is the intention of the agency to discredit the insurance business. He said he would act individually or in concert with other commissioners to stop the blackening of insurance by FTC or any other federal agency.

Mr. McConnell said the public relations job of the insurance commission-

District Court Decision

Saskatchewan Insurer Wins Right to Do Business in Montana

GLASGOW, MONT.—District Judge James T. Shea has held that Saskatchewan Guarantee & Fidelity, which is owned and controlled by the provincial government of Saskatchewan, can do business in Montana. The case of the Montana agents to have the insurer barred from the state, brought in the name of Gardner C. Waite, apparently was lost principally on the question of the rights and interest of Mr. Waite to sue.

The judge held that Mr. Waite "is not a proper party to, and does not have sufficient interest in the outcome of this suit to bring the instant action..."

As reported in THE NATIONAL UNDERWRITER of March 31, there was concern over the question of the court's attitude over the rights and interests of Mr. Waite to sue the insurer. The decision, therefore, was more or less expected, but the matter will not be dropped. Future action has not yet been determined, however.

Mr. Waite had joined Saskatchewan G. & F. and Commissioner Holmes of Montana in the suit. He contended that the company was an agency of a foreign government and the state had no right to license it to do business. However, the judge said that the contention that the competition of the provincial insurer would injure Mr. Waite (CONTINUED ON PAGE 35)

AT WASHINGTON, D. C.

Ohio Farm Bureau Enters Department Store Sales Field

The Farm Bureau companies of Columbus, O., this week opened sales counters in the Hecht Co. stores in the Washington, D. C., area and are selling all coverages—fire, life, automobile, and A&H—over the counters "just as are shoes, dresses, or nylons," according to the company announcement.

"The department-stores sales technique will make our services available to more people. Many will stop in at Hecht's to pick up policies or talk with their agents whereas it wouldn't occur to them to visit a neighborhood office or thumb through a phone book," Bowman Doss, executive vice-president of the Farm Bureau companies, said.

Farm Bureau expects to sell 5,000 policies by means of the sales counter method during the next 12 months. Of these, 25% would be sold over the counter and the rest as a result of leads customers give the agent in the store. If the technique is successful, Mr. Doss said the companies will expand it to other department stores throughout the country. The Farm Bureau group, incidentally, on Sept. 1 will change its name to Nationwide Insurance and intends to be licensed in all of the 48 states.

This is the second formidable show of competition of this variety for the local agency system form of merchant- (CONTINUED ON PAGE 35)

WUA Companies to Lead in Plans to Reduce Expenses

**Endorse Discontinuance
of Hospitality Rooms at
Agents' State Meetings**

Developments at the meeting last week of Western Underwriters Assn. at White Sulphur Springs give strong indication that members of WUA intend to assume leadership in the current drive among stock fire companies to curtail expenses.

Forsaking a tradition of 75 years, the constitution of WUA was amended to require only one meeting a year, to be conducted in the fall. The governing committee was empowered to call an interim meeting should it be necessary.

The trend on the part of agents to concentrate on educational rather than social functions at conventions was recognized, and the association endorsed the governing committee proposal to discontinue hospitality rooms at state conventions. Organization fire companies will continue to support mid-west state conventions by furnishing needed speaking talent wherever possible, but the underwriting of social expense appears to be on the way out.

Waste of forms also came in for attention. The uniform forms committee was asked to devise an abbreviated order blank for agents. The present standard blank lists all forms available in each state, and it is thought that many agents order forms for which they have little or no use. The one-write policy has resulted in a reduction of forms, but there are still 17 forms printed for every policy issued. The field clubs will assist in correcting this situation by conducting an educational campaign among the agents.

In its report on company hospitality rooms the governing committee remarked that from modest beginnings of this practice 25 years ago, there has come a growth of alarming proportions. Added to this has been the increasing number of meetings. In the middle west the WUA members are confronted not only with an occasional national convention and the annual midwest territorial and Rocky Mountain conferences, but 18 state association conventions plus I-Days. The resultant expense and demands upon the time of executives and field men have become a burden which increases yearly.

The governing committee commented that company rooms are not drawing the crowds they formerly did. Many agents are taking the meetings seriously and attending the sessions "with commendable regularity." Under these circumstances, the committee suggested the time is appropriate to suggest curtailment of what appears to be a practice of "doubtful necessity," and the proposal was made and endorsed that individual company headquarters be discontinued at the state meetings.

Late News Bulletins . . .

OK All American Entrance in Life Field

Entrance of All American Casualty into the life insurance field and removal of its home office from Chicago to suburban Park Ridge was approved at a meeting of stockholders. Robert S. Davis of Ramsey, Ind., prominent in the oil business and the owner of radio stations, and L. D. Kern of Delray Beach, Fla., a brother of the late president of All American, M. A. Kern, were elected to the board.

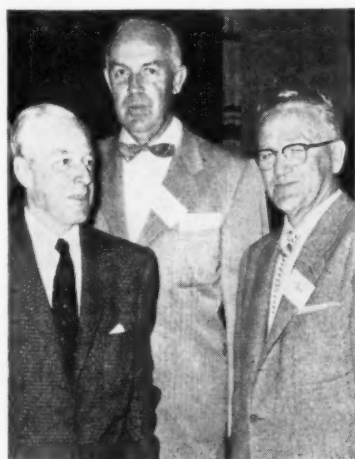
For the first quarter of 1955 All American had premium income of \$339,835, a gain of 69% over the same 1954 period. Started in 1951, the company has been an exclusive A&H writer.

Can't Get Unanimity on FTC Report

The National Assn. of Insurance Commissioners committee on federal trade commission jurisdiction may be unable to submit a unanimous report to the NAIC meeting in Los Angeles next month because of a difference in opinion as to the extraterritorial regulatory powers of commissioners over the out-of-state activities of their domestic companies.

Queried by THE NATIONAL UNDERWRITER, Commissioner Knowlton of New Hampshire, who is President of NAIC and chairman of the FTC committee, said one member of the committee, whom he preferred not to identify, believes it is not possible for the law of any state to give its commissioner sufficient extraterritorial power to constitute adequate regulation of a domestic company's out-of-state activities and thereby provide the type of regulation contemplated by public law 15 that would keep the federal trade commission out of the picture. All the other members of the committee believe that a commissioner can be given sufficient statutory power to provide adequate regulation of domestic insurers' out-of-state activities but these members have thus far been unable to win over the dissenting member. However, all are agreed that a commissioner has no control over what an out-of-state company, licensed in his state, does in some other state.

Mr. Knowlton said he was working on a draft and hoped to be able to come (CONTINUED ON PAGE 36)



Commissioner McConnell of California (left) at the Pacific Insurance & Surety Conference meeting last week with Ralph L. Inglis, president of Founders and conference president, and J. T. Blalock, vice-president of Pacific Indemnity and secretary-treasurer of the conference.

er is to protect and defend the high esteem in which the insurance business is held. Only the fringe operators get (CONTINUED ON PAGE 33)

Groundwork Laid for Merger of A&H Bureau, Conference

Joint Health Committee Recommends Single Trade Association

H&A Underwriters Conference and Bureau of A&H Underwriters would be merged into a single organization serving as the major trade association in the A&H business if a recommendation of Joint Committee of Health Insurance to its constituent trade associations is approved.

The proposed association, handling the activities previously performed separately by the bureau and conference as well as by other associations with varying interests in A&H, would operate in the broad areas of education, legislation, and public relations. Initial and continuing standards of performance would be required for member companies. Besides encompassing the activities of the several associations now in the field, it is expected additional services, not now possible, would be made available.

It is proposed that the mechanics and execution of a public relations program for the new organization be under the direction of Institute of Life Insurance, with the detail work done by the A&H staff specialists. The report suggests offices of the organization would be Chicago, New York and Washington.

There has been less singularity of program on the part of the bureau and conference over the past year, something that would diminish problems entailed in merging the two organizations. This year the two groups held their spring meetings jointly at Chicago, and some months ago Robert Neal of the conference staff went to Washington where he is serving as resident counsel for both the bureau and conference.

The report states that most of the problems of the A&H industry are of interest to several or all of the associations represented on the joint committee. Because it has been necessary to operate on a federation principle in the joint committee and the Health Insurance Council, the report states that such a condition has resulted in delay and loss of effectiveness in representing A&H interests.

Under the recommendation a single trade association would be established to accomplish the following objectives:

- Establishment and enforcement of standards of ethical conduct as a condition of membership.
- Creation of a single forum for establishing an industry position.
- Development of a mechanism for an effective public relations program.
- Establishment of a central direction and staff control.
- Creation of a single association of stature to command respect and influence by reason of its greater effectiveness.
- Elimination of present duplication in staff and company effort.
- Elimination of confusion to press and public arising from the present multiplicity of associations in the accident and health field.

Contemplated is a continuance of the

work of the present Health Insurance Council as one of the functions of the new association.

In addition to approving the report at its last meeting, and presuming eventual affirmative action, the joint committee constituted itself as an organizing committee to facilitate developments. This week Chairman Faulkner will announce the personnel of the subcommittees on finance, legislation, membership, nominating and planning.

The proposed plan of organization will be sent to all companies or associations lawfully engaged in A&H. The plan of organization would be accompanied by an invitation to submit an application for membership in the proposed association. Included with the application for membership from the company would be a specific pledge to observe the standards of ethical business conduct approved by the membership of the association.

If a majority, as designated by the joint committee, of the members of the bureau and the conference make application for membership in the proposed association and are recommended by the membership committee, an organizational meeting would be set up by the organizing committee. Business items at the organizational meeting would include approval of applications for membership, adoption of a constitution, the election of officers and board of directors, and adoption of a budget.

At the same time the conference and the bureau will call special meetings of their membership to be held immediately following the organizational meeting to take the proper steps for

(CONTINUED ON PAGE 32)

Program Ready for Midwest Agents

The program for Midwest Agents Conference at Wichita April 18-20, which will be held in conjunction with the midyear meeting of National Board of State Directors of National Assn. of Insurance Agents, has been completed.

There will be a dinner meeting of officers and delegates of the midwest group Sunday evening. Howard N. Fullington of Wichita, chairman of the conference, will open the general session Monday morning. Paul H. Heinz Jr., Topeka, president of the Kansas association, and B. J. Weldon, president of the Wichita association will give the welcome. Commissioner Sullivan will bring greetings from the Kansas department.

Emil Lederer, Chicago, will report as chairman of the conference committee, and Joe H. Bandy, Nashville, for the casualty committee.

The future progress committee of the conference will hold a luncheon.

On Tuesday John G. McFarland, manager of the western department of American, will talk on "Sell the Whole Umbrella," followed by a discussion of latest dwelling forms by Clarence H. Metzner of Western Underwriters Assn. and of losses under such forms by George M. Lynch Jr., manager of education and research of Western Adjustment.

James F. Crafts, president of Fireman's Fund group, will give an address.

The remainder of the Tuesday morning session will be devoted to resolutions and the election.

Sessions of the conference will be at the Broadview.

Insurers Win Again on Issue of Grain Elevator Explosion

Circuit Court Judge Paul A. Buzard of Jackson county, Mo., has sustained the motion of Underwriters Grain Association for judgment in its favor on the issue of explosion in a grain elevator during the 1951 flood at Kansas City. This represents a resounding victory for Grain Association because a jury two months ago returned a verdict against the insurers in the amount of \$769,522, this including interest of \$128,253 from September of 1951.

The loss occurred in 1951 during the great Missouri river valley flood in the warehouse facilities which Hart-Bartlett-Sturdevant Grain Co. leased at the River Rail elevator on the public levy in Kansas City, Kan. The grain company claimed the insurers were liable because internal explosions forced open the bottoms of the storage bins. The jury verdict awarded the grain company \$308,846 for loss of grain independent of that lost in the flood waters and \$332,422 in damages for business interruption caused by the alleged explosion.

The insurers had won a case on similar issues in federal court in Kansas on policies issued to the City of Kansas City, Kan. In the federal case in Kansas there was a hung jury, and counsel for the insurers argued for a motion notwithstanding the verdict and this was granted. The same thing was done in Missouri, but the expectation of winning in the circuit court was not high.

The major issue was whether the bottoms of the bins gave way because of internal explosion or because of increased pressure caused by expansion of wet grain. The policies contained explosion clauses but did not cover against flood damage.

Attorneys for the insurance companies were Donald N. Clausen of Clausen, Hirsh & Miller of Chicago, Henry Depping and Joseph R. Hogsett of Hogsett, Houts & James of Kansas City, Mo.

Correction on Changes at Great American Group

In the news item in the April 7 issue which told of important changes in the executive staff at Great American, two lines of type were inadvertently left out. The news item should have read that with the retirement of John C. Evans as president of the fire companies of Great American group and vice-president of Great American Indemnity, William E. Newcomb succeeds Mr. Evans as president and Charles M. Close replaces Mr. Newcomb as executive vice-president of the fire companies. Mr. Newcomb and Mr. Close will serve also as vice-presidents of Great American Indemnity.

Farmers Mutual Hail Names Miller Agency Supervisor

Wayne W. Miller of Des Moines has been appointed supervisor of agents and claims adjuster for the Farmers Mutual Hail of Des Moines. He has been in the hail business for more than 30 years and formerly was with Square Deal and the Iowa Farm Bureau companies.

Name Steinberger at L. A.

Vernon W. Steinberger has been appointed supervisor of fidelity and surety for National Fire at Los Angeles. Mr. Steinberger's entire insurance career has been in fidelity and surety.

N. Y. Hearing on Allstate Discount Rate Set for April 25

The hearing called by Superintendent Leffert Holz of the New York insurance department to determine whether the dwelling rates being charged in that state by Allstate meet the standards of the rating law, has been set to begin April 25. Allstate is writing dwelling fire business at 20% off rates of New York Fire Insurance Rating Organization.

Superintendent Holz himself may conduct the hearing.

The hearing on North America, which is charging about 10% less than NYFIRO rates for fire coverage on dwellings, and which like Allstate, has been called to justify its discount, will be held following the conclusion of the Allstate hearing.

Highlights of the Week's News

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- Health Insurance Council officers reelected at spring meeting at ChicagoPage 4
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- Launch probe of "fly-by-night" companies in OklahomaPage 29
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- Insurance loss from downtown Freeport fire put at \$400,000Page 13
- FTC ends hearing on complaint against Automobile Owners Safety; to continue with othersPage 13
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Steel Ins. Co. Will Write Fire Cover for Steel Industry

Steel Ins. Co. of America recently was incorporated as a capital stock fire insurer in Illinois, with offices in Chicago, to serve the basic steel industry. Beginning capital is \$200,000 and surplus \$100,000, and the company is ready to issue policies.

Steel Ins. Co. will specialize in underwriting and fire prevention service for basic steel. It has developed its own rating schedule covering blast furnace (iron manufacture); open hearth, electric furnace and Bessemer converter (steel making); hot reduction mills (blooming mills, strip mills); cold reduction mills (strip and plate finish); tube mills (pipe, conduit and butt weld); merchant mills (spikes, structural steel, rails, etc.); ore beneficiation plants (taconite, etc.), and coke plants in connection with one of the preceding operations.

Officers of the company are Walter E. Meub Jr., president; Fred Tod Jr., vice-president and treasurer; Frederick M. Reiss, vice-president, and Ray T. Wagner, secretary. Mr. Meub and Mr. Tod are partners in the Bruce & Co. general agency of Youngstown which has served large firms in the steel industry for nearly half a century.

A modern, up-to-date fire prevention and plant safety program is being

Wants Cancelling of EC Cover Stopped in R. I.

Sen. Lewis has introduced a bill in the Rhode Island legislature that would prohibit an insurer from cancelling an extended coverage policy except for nonpayment of premium. Penalty would be loss of license to do business in the state. The bill charges Merchants Fire of N. Y. "with discrimination and malice" in cancelling the policy of a hurricane victim though the premium had been paid till Aug. 21, 1957.

The bill would, according to its proponent, stop "the wholesale cancellation of policies, containing extended coverage provisions, in the Oakland Beach and Conimicut Point" sections of Warwick hit by Hurricanes Carol and Edna. The bill was referred to the corporations committee.

N. Y. City Tax Boost Wins

NEW YORK—Bills passed just before the New York legislature adjourned included measures boosting the tax on premiums on business written in New York City by all types of insurers from one-twentieth of 1% to one-quarter of 1%.

Ohio UJ Bill Passes Senate

A bill to permit writing of unsatisfied judgment coverage in Ohio as liability insurance has passed the senate. The bill was introduced to circumvent an opinion of the attorney-general that UJ coverage is accident and health insurance.

R. I. Service of Process Bill

The Rhode Island senate has passed and sent to the house a service of process bill requested by Insurance Commissioner Bisson.

Mutual Agents Hear Stringfellow

William A. Stringfellow, executive secretary of North Carolina Assn. of Mutual Insurance Agents, discussed the state public school insurance fund before the Charlotte Mutual Insurance Exchange.

developed for the company by experienced fire prevention engineers, working in conjunction with qualified steel plant safety engineers. The company states that its services along these lines will be comprehensive, efficient and economical, employing in addition to its own developments the latest methods used in this type of service.

Steel Ins. Co., through a reinsurance program with admitted insurers, will have sufficient capacity to serve any steel company desiring fire coverage for its basic steel facilities. The

company will operate only through licensed agents and brokers.

Both Mr. Tod and Mr. Meub are experienced in the general insurance business and are members of families which have long been identified with the basic steel industry. For more than 15 years they have been active in general insurance in the steel industry.

Mr. Reiss is a graduate mechanical engineer, with more than 10 years experience in fire rating and inspection methods and service. He was with Ohio Inspection Bureau, America Fore

group and Crum & Forster before becoming a partner in Bruce & Co. two years ago.

Mr. Wagner has had 30 years experience in the fire business. He was an underwriter of America Fore, later became a special agent in Indiana and Ohio, and for the past 15 years has represented America Fore as state agent for Ohio. He is a CPCU.

The company's principal office is located in room 1454 of the First National Bank building, 38 South Dearborn street, Chicago.

THE CRUM & FORSTER GROUP

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1954

	ASSETS					
	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	U. S. BRANCH WESTERN ASSURANCE	U. S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 8,882,644	\$ 4,053,093	\$ 3,950,563	\$ 904,441	\$ 533,367	\$ 819,177
*United States Government Bonds	36,908,816	19,905,120	19,926,605	6,931,823	3,701,674	2,388,736
*Other Bonds	16,422,150	8,080,358	9,112,363	1,278,895	716,220	799,324
*Stocks	44,529,695	29,259,270	29,772,345	1,108,403	1,323,504	1,975,439
Mortgage Loans on Real Estate	3,859	5,900	10,804	0	0	0
Real Estate	112,590	0	0	0	0	0
Premium Balances Receivable (Not over three months due)	3,394,990	1,883,629	1,697,854	388,533	202,104	241,504
Interest and Real Estate Income Accrued	227,533	118,365	151,621	24,272	13,847	12,016
Other Assets	2,555,861	688,412	2,086,614	169,467	80,847	89,158
Total Admitted Assets	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354
	LIABILITIES					
Reserve for Unearned Premiums	\$ 37,863,757	\$19,399,320	\$21,142,469	\$ 3,716,050	\$2,038,636	\$2,521,253
Reserve for Losses and Loss Expenses	10,848,316	6,103,621	7,072,634	1,391,790	742,699	730,715
Reserve for Taxes and Expenses	2,328,536	1,424,700	1,583,000	377,500	199,000	177,240
Reserve for All Other Liabilities	2,223,102	846,802	1,243,414	209,895	104,010	41,066
Capital	3,000,000	2,000,000	2,000,000	†500,000	†500,000	750,000
Net Surplus	56,774,427	34,219,704	33,667,252	4,610,599	2,987,218	2,105,080
Surplus to Policyholders	59,774,427	36,219,704	35,667,252	5,110,599	3,487,218	2,855,080
	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

* Bonds and Stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$4,533,536; North River, \$3,475,523; Westchester Fire, \$3,438,237; Western Assurance, \$1,189,935; British America, \$1,140,268; Southern Fire, \$512,658.

On the basis of December 31, 1954 market quotations for all bonds and stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$399,634; North River, \$50,022; Westchester Fire, \$2,152; Western Assurance, \$2,287; British America, \$4,806; Southern Fire, \$18,843.

† Statutory Deposit.

CRUM & FORSTER, MANAGER
110 WILLIAM STREET • NEW YORK 38, NEW YORK

WESTERN DEPARTMENT FREEPORT, ILLINOIS	PACIFIC DEPARTMENT SAN FRANCISCO, CALIFORNIA	SOUTHERN DEPARTMENT ATLANTA, GEORGIA	VIRGINIA-CAROLINAS DEPARTMENT DURHAM, NORTH CAROLINA	ALLEGHENY DEPARTMENT PITTSBURGH, PENNSYLVANIA
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Program for Chicago Rally of Independent Adjusters Is Ready

The program for the annual meeting of National Assn. of Independent Insurance Adjusters at Chicago April 21-23 has been completed. Most of the first day will be given over to a business meeting for members only. That afternoon there will be a social hour and for the evening there is scheduled a dinner and dance for members and guests. On April 22 addresses will be given by H. S. Don Carlos, claim department of Travelers; Vestal Lemmon, general manager of National Assn. of Independent Insurers, and Newell R. Johnson, general manager of American Mutual Alliance. A. M. Best & Co. will be hosts at a cocktail party and buffet that evening.

On the final day panel discussions are scheduled in the morning covering casualty and fire claims. Participating in the casualty panel will be Hubert J. Schroeder, vice-president of Hardware Mutual Casualty of Wisconsin; C. C. Hermann, vice-president and secretary of Motor Vehicle Casualty of Elmhurst, Ill., and B. K. Doyle, executive secretary of Standard Accident. The fire panel will be comprised of Robert M. Hill, president of R. M. Hill & Co. adjusters of Detroit; Axel Nelson, general adjuster in the western department of America Fore; John A. Arnold, vice-president of the Kemper companies; A. M. Devroye, secretary of Millers National, and Howard D. Heath, assistant vice-president of Northwestern Mutual Fire.

New officers will be elected that afternoon. Marion B. Arnold of Miami is president.

This will be the first meeting in which Ralph G. McCallum, the new general manager of NAIIA, will be a participant.

Robinson New Treasurer of Ind. Lumbermen

Herman L. Robinson has been elected treasurer of Indiana Lumbermen Mutual. He succeeds J. E. Shewmon, who has retired after 47 years with the company.

Mr. Robinson is a graduate of Purdue University. He started with Indiana Lumbermen as a messenger in 1934, subsequently working his way through the ranks. He was made auditor in 1948.

G. E. Miller New President of Farmers Home Mutual

George E. Miller has been elected president of Farmers Home Mutual of Minneapolis to succeed Howard C. Whalen, who becomes chairman. Mr. Miller has been secretary of Farmers Mutual, and is replaced in that position by Frank P. Powers. Mr. Powers has been treasurer, and is now secretary-treasurer.

Minn. Agent Suspended

Walter H. Schulz, a Minneapolis agent, has been suspended by Commissioner Sheehan on an accusation of charging unauthorized fees to purchasers of automobile insurance. Schulz was alleged to have charged the fees for sub-standard risks. The suspension was ordered pending investigation and hearing.

Health Council Reelects Officers; Progress Tallied

Health Insurance Council at its spring meeting in Chicago, where it heard reports on major programs, re-elected John H. Miller, Monarch Life of Massachusetts, chairman. Continued as vice-chairmen were James Andrews Jr., Life Insurance Assn., L. A. Orsini, Bureau of A&H Underwriters, and James R. Williams, H&A Underwriters Conference. Miss Alice Chellberg, American Mutual Alliance, was re-named secretary.

The uniform claim form project is nearing completion, said Carroll J. McBride, chairman of the committee in charge. Hospital admission plans are proving successful and are being extended. The technical advisory committee, headed by M. D. Miller, Equitable Society, is completing work on a standard surgical nomenclature. It is also studying duplication of coverage and attendant ill effects.

The information and public relations committee funneled activities of other committees into a public relations program, Chairman Arthur G. Weaver, John Hancock Mutual, reported. Nearly 42,000 copies of the publication on the extent of voluntary health insurance in the U. S. were distributed, as were more than 13,500 copies of "The Health Insurance Story" booklet. These went to especially selected sources. A new project is a health insurance exhibit being shown at major hospital and medical conventions.

Mr. Williams reported for the medical relations committee, headed by Dr. W. H. Scoins of Lincoln National Life. An active liaison program has been carried on with national medical organizations.

To further the work of the hospital relations committee, Chairman Orsini noted that an advertisement commemorating national hospital week, May 8-14, is being placed in leading hospital journals. Companies are being urged to assist hospitals at local levels to make the celebration a success.

Henry Locke, Liberty Mutual, chairman of the survey committee, said publication of its compilation of persons covered under voluntary insurance is expected in June. The committee will also investigate what is insurable and what is not in the national health bill.

Meyner Gives Opinion on N. J. UJ Fund

At the induction of the four insurance company members who, with Commissioner Howell and F. J. Gassert, Jr., motor vehicle director, will administer the New Jersey unsatisfied claim and judgment fund law, Gov. Meyner said the law presents a new concept in automobile financial responsibility laws.

No one can be certain, at this time, how well it will work, he said. There are many areas in the law which seem to present serious problems at this time. There may be many difficulties in the administration of the law which cannot now be foreseen. He said he felt the members of the board would do their utmost to administer the law fairly and impartially and in the best interests of the people of the state.

L. C. Nelson, vice-president in charge of fire and casualty of Ins. Co. of Oregon, and Ralph F. Kadderly, general manager of Kadderly & Morton, have been elected directors of the insurer.

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT!

Is your Insurance as good as your car?



You buy your car by brand. Its name is your guarantee of value and performance.

The same is true of automobile insurance.

For your own sake, buy from your reputable HOMETOWN agent. He gives you service—not just sales-talk.

It pays to take an interest in your insurance company, too. You need a friendly, reliable company whose reputation measures up to your car's. Then you know you're protected when a loss occurs.

THE HOME

ORGANIZED 1853



Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

The Home Insurance Company's new advertisement sells more automobile insurance, sure . . .

but more important, it sells *you*.

It tells your clients about your services, the *quality* protection which you can offer.

This advertising is designed to attract *good* automobile business to your agency.

Your Home fieldman is ready to help you any way he can—just ask him!

THE HOME

ORGANIZED 1853



Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

This advertisement will appear in:

American Home—June

Better Homes and Gardens—June

Nation's Business—May

Town Journal—May

Time—May 9

Newsweek—May 9

Business Week—May 7

U.S. News & World Report—May 20

Bank Merger Wave Cuts Premium, Adds Risk for Surety

Many banks in the United States have merged in recent months and, like in other businesses, the trend is continuing. Bank mergers, which have a direct effect on surety companies, have mostly resulted from the desire to cut the operating expense ratio and to obtain key personnel and locations.

The latter has often been difficult and costly to do except through a merger.

Among the better known recent mergers are Chase National and Bank of the Manhattan Co. into Chase Manhattan bank, and First National and National City into First National City, in New York.

The large number of bank mergers has not only increased the work load on surety companies but has also re-

sulted in increased risk under the bankers blanket bonds.

The main reason for this is that it normally takes some time for a merger to result in an efficient operation, a period during which the risk is increased.

The larger the bank operation is the greater the risk is to the underwriter. When two banks merge they have a new BBB written to take effect the day the merger becomes effective.

A BBB covers the main bank office as well as all of its branches. The amount of premium to be paid on a

bond is determined on the basis of the number of employees involved, the number of checking accounts, locations and other factors, including the form and amount of coverage selected.

Although a bond written on a newly merged bank doesn't result in as much of a total aggregate premium as was paid before the merger, it necessarily is greater than either individual bank's bond premium prior to the merger.

For example, Bank A has 100 employees and carries a \$1 million bond, while bank B has 200 employees and carries a \$4 million bond. They merge

and decide to carry a \$5 million bond. In many instances, the new premium will be less than the aggregate premium before the merger.

A bank's management in many instances will spread the total coverage carried around among various surety companies either by direct separate bonds or under a single bond signed as co-surety by the various companies. The percentage of the total of each surety is usually determined by the amount of business it conducts with the bank. A bank may have as many as 20 surety companies bond it.

Woodward, McDonough Named by Am. Auto

M. G. Woodward, assistant manager at Philadelphia for American Auto, has been promoted to resident vice-president, and is transferring to Des Moines. He replaces T. B. McDonough, resident vice-president, who will devote several months to supervising expansion of the Cleveland office. Ultimately, Mr. McDonough will be in charge at Cleveland.

Mr. Woodward has been with American Auto for 19 years. He started in insurance with Maryland Casualty at Kansas City in 1931, joining American Auto there in 1936 as an underwriter. In 1943 he was advanced to supervisor of automobile underwriting, and two years later was transferred to Washington as supervisor of the service office there. He became assistant manager at Philadelphia last year.

Boston and Old Colony Make Three Promotions

The Boston and Old Colony have named Robert R. Towne and John A. Shuttleworth multiple line special agents at Providence and Albany, respectively, and Edward C. Ball supervising underwriter at Albany.

Mr. Towne, who will work with Manager Philip N. Hall, has been with the companies since February of 1952. In September of that year he was made senior underwriter at Boston.

Mr. Shuttleworth joined the companies as an automobile casualty underwriter at the home office in 1952 and two years later was made supervising underwriter at Albany, a post he held until his latest promotion.

Mr. Ball has served as casualty underwriter at Albany since he joined the Boston and Old Colony in February of 1954.

N. J. Fire Expected to Cost Insurers \$175,000

A \$200,000 fire at the United Radiator Corp. warehouse at Harrison, N. J., is expected to cost insurers in the neighborhood of \$175,000.

The building loss—figured on a replacement basis—is between \$50,000 and \$60,000 of which \$25,000 was covered, \$17,000 by National Fire and \$8,000 by North America. The damage to contents was estimated at \$150,000.

Auto Bill Killed in N. H.

The New Hampshire house has voted to kill a compulsory automobile liability insurance bill.

So much depends on you...



WRITE THOSE POLICIES RIGHT Brother!

Small errors in the writing of a policy can be extremely serious when a loss occurs.

That's why thousands of insurance producers have read, with great interest, the article "Write those policies right, brother!"

Another in the long list of helpful Hartford Agent articles, it's a key to correct policy writing . . . one more link in the chain of good service that builds customer confidence in you and your business.

Send for your free copy today!

Year in and year out you'll do well with the

Hartford



Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey
Northwestern Fire and Marine Insurance Company
Twin City Fire Insurance Company

Hartford 15, Connecticut

Minneapolis 2, Minnesota

YACHT INSURANCE



Appleton & Cox, Inc.

111 JOHN STREET, NEW YORK 38, NEW YORK

BRANCH OFFICES IN PRINCIPAL CITIES
FIELD SERVICE NATIONWIDE

MARINE UNDERWRITERS SINCE 1872

Full Impact of Direct Writers Not Yet Felt, San Diego I-Day Told

The full impact of direct writer competition has not yet reached the American Agency System, Robert L. Mannon, superintendent of the agency service division of Phoenix-Connecticut group at San Francisco, warned agents attending San Diego I-Day. Agencies have not been greatly affected by the tremendous growth of the direct writers because most of the business was from untapped markets, but circumstances can lead to more painful encroachments into the business by the competition.

Contributing to further growth of the direct writers, according to Mr. Mannon, are population growth, increased automobile and truck registration, the tendency toward two and three-car families in America, passage of financial responsibility laws and the number of uninsured auto owners who are now seeking protection. He predicted increased sales pressure from direct writers aided by even more extensive advertising programs than have been in use in the past.

Mr. Mannon presented suggestions for combatting what he termed "the big squeeze ahead." The suggestions are the result of studies conducted by the agency service division, an idea exchange started by Phoenix-Connecticut six years ago.

Direct writers will have mighty tough sledding when an agent enjoys the confidence of a customer, he said, emphasizing the importance of agents' assuming the role of professional advisors in order to give better service. "You have the choice of many types of coverage to offer your client and can even custom-tailor protection for his specialized needs." These are the qualities of agency service that justify the difference in the price of insurance, he said.

Urging agents to apply the same principles of good merchandising as used by other progressive business-

men, Mr. Mannon emphasized the necessity of knowing the product, endurance in pushing the sale, and personal contact with clients.

"In our surveys nation-wide through agency ranks, we have found that more than 75% of agents use the 'prayerful plan' of automatic issuance of renewals . . ." he said. Not only are opportunities for additional business lost in this way, but " . . . this impersonal approach merely serves to polish the welcome mat for the direct writers," who are "only too happy to send out salesmen door to door to get the choice business. How are you going to be able to justify the difference in cost except by proven personal service?" he asked.

In order for an agent to have sufficient (CONTINUED ON PAGE 30)

McConnell Presents Report on WC in Cal.

LOS ANGELES—Insurance Commissioner McConnell, in his statutory report to Governor Goodwin J. Knight for the month of February had this to say on the controversial workmen's compensation insurance subjects:

"Following consideration of the matter at public hearings in January your commissioner issued an order on February 25 approving the proposal of the California Inspection Rating Bureau to increase the eligibility requirement for rating under the experience rating plan. Under this type of rating an employer's experience during a specified past period is compared to the average experience of his particular industry, and the result of this comparison is then taken as a measure of the extent to which the employer's operations are more or less hazardous than the average. The basic or manual rates otherwise applicable to the employer's current operations are then modified upward or downward in accordance with the indications of the past experience.

"The plan is not applicable to employers who have had only a limited amount of employment, since the experience of such an employer would be largely affected by pure chance and cannot be given much credence or weight in determining true hazards. Eligibility for rating is based upon the extent of exposure to loss during the experience period expressed in terms of premium. However, the relationship of premium to true exposure to loss has been altered materially by inflationary factors, and your commissioner therefore deemed it necessary to increase the premium requirement which has heretofore been used as the standard for eligibility.

"The California Inspection Rating Bureau has also proposed that a California workmen's compensation statistical plan should be promulgated by the insurance commissioner. This statistical plan was essentially the same plan which has been successfully used by the bureau and its members for almost a decade in recording, reporting and compiling workmen's compensation insurance statistics. In view of the long and successful independent operation of the plan under the administration of the bureau and the fact that formal adoption of the plan under the administration of the bureau and the fact that formal adoption of the plan as rules and regulations of the insurance commissioner could possibly interfere with the flexibility inherent in its present administration, your commissioner did not deem it necessary at this time to proceed with formal adoption of the plan."

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★ **Claim Men** NEED UP TO DATE REFERENCE BOOKS
★ FOR FORWARDING CLAIMS. Write today for your free copies of our
★ directories of experienced independent adjusters & insurance attorneys.

Hine's Legal Directory, Inc.

★ 38 S. DEARBORN STREET

★ CHICAGO 3, ILLINOIS

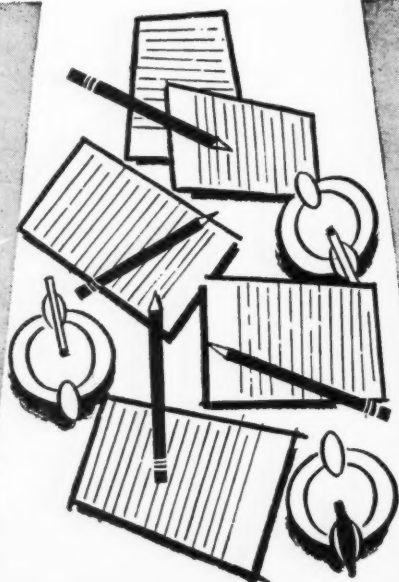
OSBORN-LANGE-STEPHENSON, INC. INSURANCE

Correspondents of

Lloyd's, London

E. L. STEPHENSON
Telephone WAbash 2-7620
223 West Jackson Blvd.

H. F. NOTTELMANN
Cable Address "Bornos"
Chicago 6, Ill.



when good agents get together to talk shop

BUCKEYE UNION'S fine record

will be mentioned

Two sound companies . . . The Buckeye Union Casualty Company offers complete facilities for Automobile, Plate Glass, General Liability, Burglary, Fidelity and Surety. The Buckeye Union Fire Insurance Company offers complete facilities for Fire, Inland Marine and Allied Lines.

OHIO, INDIANA, MICHIGAN, PENNA., KENTUCKY, W. VA.

HOME OFFICES, COLUMBUS, OHIO

CGL Policy Seen as Opportunity for Volume and Service

The value of the comprehensive general liability policy, not only as a material sales aid but also as an absolute necessity if disservice to a client is to be avoided, was explained by E. J. Hey, secretary of Fidelity & Casualty, at the Eastern Agents' Conference in Baltimore.

He said that while many producers have performed—and are performing—an outstanding sales job in applying this broad form liability policy, others, unfortunately, have yet to appreciate its value.

Three important reasons why the coverage should be sold he listed as (1) an insured is entitled to no less than the broadest protection to avoid financial loss; (2) the producer, not insured, is the technician trained in providing, or at least bringing to attention such necessary protection; and (3) the producer who fails to do so exposes his business to attack from competitors who eagerly await the opportunity of offering broader protection. Broad form liability above all other types of insurance offers an ideal means for "getting one's foot in the door."

In one sense, Mr. Hey said, the sale of insurance is no different from any other merchandise where, for reasons of economy, arbitrary resistance to sound sales proposals, failure to recognize the value of the product as security against financial loss or whatever the reason may be, the buyer simply cannot be persuaded he needs more than limited protection.

He therefore settles for less and may, thereby, become a partial self insurer. However, in a more realistic sense, insurance which guarantees against loss arising out of a business risk is not ordinary merchandise. It is an integral part of the business and must be considered as such. Whether the sale is made or not, the producer should draw attention to broad form liability protection and point out to the client that if he doesn't take it he must assume responsibility for inadequate protection.

Mr. Hey said that while the sale of broad form coverage is substantial, the number of policies is far below a reasonable potential. His guess is that casualty insurers average no better than one-third—or even less—of their general liability business under such policies.

If that is reasonably correct, he said, then the consequence of inadequate protection is substantial. He related that in his company non-covered claims come to attention in a large percentage of cases. Insured thought he had protection, or the producer was sure he asked the company to extend the necessary insurance.

Rarely do insurers encounter deliberate acts or excuses to enforce coverage which is not in the policy. Most of these cases arise because of the mistaken belief that the coverage existed, with the result that a disgruntled insured or producer may vow never again to do business with the company denying a claim. Mr. Hey said his company's claims department makes every effort to find affirmatively in the coverage—and to even go overboard in borderline or questionable cases. But no company can deal with these situations on the basis of "what was intended." He said "I hope you will agree with the premise that under the agency system of operation companies must depend upon their pro-

ducers to evaluate the client's requirements and to point out before the claim arises the circumstances under which certain insurance protection may be inadequate."

Obviously, no one should be misled into believing that the comprehensive general liability policy covers every conceivable legal responsibility of an insured. There must, of necessity, be exclusions. However, these are clearly and concisely stated so that when read in conjunction with the insuring provisions and definitions, it will be perfectly clear as to just what

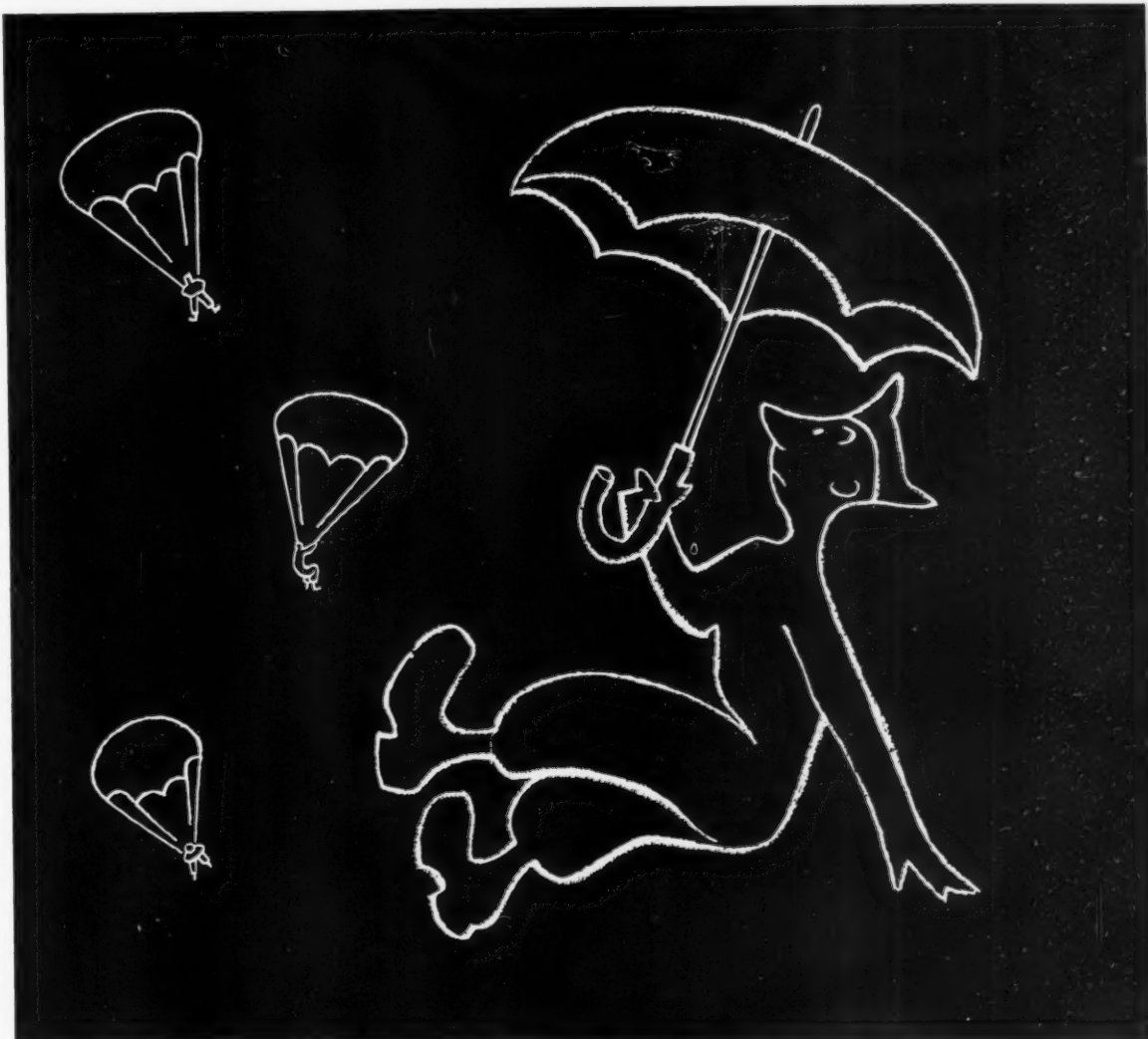
protection is given. Contrast this with the non-comprehensive forms, each of which have their own insuring agreements, definitions and exclusions.

Whether or not broad form coverage is involved, Mr. Hey told the conference, one line of insurance in particular requires special comment—products or completed operations protection which, over the years, has been "bought" rather than "sold".

He said by this he meant that risks dealing in commodities or services which represent a recognized potential, such as foods and beverages, drugs,

pharmaceuticals and cosmetics, chemicals and various contractors, among others, do not have to be sold this protection; they realize the need for it and require it. Yet, others who manufacture, handle or distribute commodities or those who deal in services are no less vulnerable to claims even though the frequency may be considerably less. Literally every risk is confronted with a products or completed operations hazard of one degree or another and it is simply a question of analyzing each case to develop the

(CONTINUED ON PAGE 34)



Somebody may chute you!

Quite a letdown. Somebody replaced his parachute with a bumper-shoot, and it's a poor substitute.

Don't let your policyholder down. When you pay to have his broken car window replaced, be sure he gets the same brand and quality of safety glass that's in his other windows . . . not a substitute. (For example: Safety Plate Glass should not be replaced with safety sheet glass.)

P. S. Send for a supply of handy forms for glass replacement orders. Ask for SG-40. Write to Dept. 5945, Libbey-Owens-Ford Glass Company, 608 Madison Avenue, Toledo 3, Ohio.



LIBBEY-OWENS-FORD a Great Name in Glass

Fireman's Fund Enters UJ Field With Broad Cover

Fireman's Fund group has developed what it calls "innocent victim automobile insurance" to protect victims of financially irresponsible drivers. The new policy is broader and more complete than similar unsatisfied judgment coverages and may be written as an endorsement to an automobile liability policy carried in Fireman's Fund, or as a separate policy.

The coverage includes unsatisfied judgment for bodily injury claims awarded in court actions, plus BI claims resulting from hit-run accidents and in many cases valid BI claims without the expense of court action. The coverage sells for \$6 annually as an endorsement or \$8 as a separate policy. Most UJ coverage is for court judgments which are not paid.

The Fireman's Fund form of UJ covers the named insured, spouse and minor children of either residing in the named insured's home. Limits are 5/10 and coverage is effective for any insured hurt by another car when driving or riding in his own car, a company or hired car, while hauling a trailer or when a pedestrian.

Engineers of Employers Host to Uruguay Trio

The New York engineering department of Employers group was host to three visitors from Montevideo, Uruguay. Alfredo H. Fiandro, fire insurance inspector of a state insurance bank; Teofilio C. Ramos, deputy fire chief of Montevideo, and Julio Cesar

Scasso, deputy chief engineer of the general shops, National Electric & Telephone Co.

The Employers was selected as a co-operating insurance group by the department of labor which coordinates an industrial and fire safety training program for foreign visitors with the foreign operations administration. The trio attended a session on safety engineering, fire prevention and reporting and tabulating accidents at the group's New York offices and was conducted on an inspection tour of one of Employers' major industrial accounts.

New Mutual Reinsurance Bureau Building Planned

Mutual Reinsurance Bureau is planning to construct a new office building for occupancy during 1955 in Belvidere, Ill. The new building which will be of fire resistive construction, located on Pearl street in the southwest part of Belvidere, will be the third office to be occupied by MRB since its formation in 1921.

Crime Policy for Manufacturers

Liberty Mutual has introduced a manufacturer's crime policy devised as a complete package to cover dishonesty of employees, loss of money and securities within and outside of premises, money orders and counterfeit paper currency and forgery of issued instruments.

Phoenix Moves in Newark

Phoenix of Hartford group's Newark offices have been moved to new quarters in suite 3126, Raymond-Commerce building, 1180 Raymond boulevard, Newark. The office is under the direction of Executive State Agent Roger S. Henry, assisted by State Agents Robert E. Klie and Robert L. Runz and Special Agents John F. Bernard and Robert S. Kievit.

List Top Writers of Fire, Casualty, A & H in Illinois

The 10 leading writers in Illinois in 1954 of fire lines, casualty lines and A&H business are listed below. Business is shown on a direct premium basis. In compiling the leaders, auto physical damage was considered a casualty line, but A&H is shown separately, being deducted from the total shown for the casualty leaders.

No attempt has been made to combine the Illinois business of companies comprising a single group.

CASUALTY

(Including Auto Physical Damage) (Excluding A & H)

Allstate	\$22,036,104
Country Mutual Cas. ..	17,060,443
Travelers Indemnity ..	16,389,558
State Farm Mut. Auto ..	15,897,952
U.S.F. & G.	13,338,498
Hartford Accident	12,459,808
Fidelity & Casualty ..	10,992,790
Liberty Mutual	9,634,438
Aetna Casualty	9,019,123
Chicago Motor Club ..	8,046,393

FIRE & ALLIED LINES

(Including Auto Physical Damage)

Home	\$10,712,092
Country Mutual Fire ..	9,212,764
Fireman's Fund	7,567,709
Hartford Fire	6,962,115
North America	6,598,568
American of N.J.	5,347,640
Aetna Fire	5,329,338
Continental	4,457,746
National Fire	3,835,803
Phoenix, Hartford	2,909,530

ACCIDENT & HEALTH

Metropolitan	\$20,148,858
Aetna Life	16,012,223
Bankers Life & Cas	15,205,286
Travelers	14,098,068
Equitable Society	11,243,723
Mutual Benefit H. & A. ..	8,062,063
Continental Casualty	7,990,137
Continental Assurance ..	4,972,820
Prudential	4,807,310
John Hancock	4,225,554

Green Joins Bosworth to Head N. M. Operations

R. L. Green has joined Bosworth general agency of Denver and will have charge of opening up an office at Albuquerque to service New Mexico. Mr. Green is a graduate of North Texas State College and has been in the local agency business in west Texas for five years.

Crawford & Co. Expands

Crawford & Co. independent casualty adjusters, has opened new offices in Chicago and New York City. T. W. Perry is manager at Chicago in the Insurance Exchange building and T. P. Price is New York manager. The company has 80 branches in 13 states in the south and southwest.

Insurance Blood Drive in New York

The annual blood drive among New York insurance workers is being held through April 22. Red Cross mobile units are set up on the second floor of the National Board, 85 John street.

Serving as drive chairman is William Hicks, treasurer of Assn. of Casualty & Surety Cos., who is being assisted by H. A. Coumbe of National Board, Mrs. Mabel Hart of Insurance Women of New York, Albert E. Mezey of New York City Insurance Agents Assn., Vincent O'Brien of New York Board, G. H. Ort of Insurance Brokers Assn. of New York state, G. W. Tisdale of Commercial Union, Cameron Toole of Travelers, Walter U. Westcott of America Fore, and H. A. Young of Home.

First Major Reform Bill Passes Both Houses in Texas

AUSTIN—The house version of the senate bill providing increased financial requirements for Texas fire and casualty companies has been accepted by the senate, and so becomes the first major insurance reform measure favored by the administration to be enacted.

The new requirements are: Fire companies, \$100,000 capital and \$50,000 surplus; casualty companies, \$150,000 capital and \$75,000 surplus, and multiple line, \$200,000 capital and \$200,000 surplus. These are reductions from the original bill of the senate, which had set aggregate funds of \$200,000 for fire companies, \$300,000 for casualty and \$500,00 for multiple line. However, they are higher than the present requirements of \$100,000 capital for fire and casualty companies, with no surplus stipulated.

Other provisions in the approved measure restrict investments of capital funds to cash, government bonds and insured mortgages and also limit investment in home offices to one-third of the total assets, excluding capital. Companies now in business are given 10 years to meet the financial standards. Additional powers are granted the board of commissioners over management personnel as well as assets of new companies.

Another bill passed by both houses completely revises the Texas securities act so as to put regulation of the sale of all insurance securities in the hands of the Texas board.

Two house and two senate bills also were passed last week by the respective branches. One of the house bills modernizes the liquidation laws and the other permits local recording agents to divide commissions with licensed non-resident agents, under certain conditions.

The senate passed another of the major reform bills which would reorganize the board of commissioners by putting all department operations under the supervision of the three commissioners and abolishing the three commissionerships as currently operated. The three appointees would select their own chairman, which post is now automatically filled by the life commissioner. The senate also passed a measure which would require \$100,000 in surplus of a county mutual desiring to write insurance statewide, including auto business.

The senate insurance committee last week reported favorably on three bills: The house bill that gives the entire board control over examination of state companies; the house bill that raises the annual life agent's license from \$2 to \$5, and the senate bill that provides for uniform A&H policy forms.

Four Managers of Brown Bros. To Attend NAIJA Convention

Four managers of Brown Bros., California adjusters, will attend the annual convention of National Assn. of Independent Insurance Adjusters at Chicago next week. They are Ted D. Brown, general manager; R. F. Horwath, general manager for southern California; Wes Brown, manager at Sacramento, and Vernon Neufeld, Fresno manager.

St. Louis CPCU chapter will have its spring banquet April 20.

WHAT'S YOUR CLIENTS "I.Q."? (Insurance Quotient)

HAVE YOU checked your list of clients lately and compared their existing coverage with their actual insurance requirements?—The Royal Exchange companies make this task easy for its agents with a quick and easy-to-complete Insurance Analysis form.



- Nearly 2½-centuries experience with almost every conceivable type of risk has qualified the Royal Exchange companies with professional "know how" in helping agents with their problems

Royal Exchange

ROYAL EXCHANGE ASSURANCE
PROVIDENT FIRE INSURANCE COMPANY
THE STATE ASSURANCE COMPANY, LTD
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Representatives in Principal Cities and Towns
of the United States and in Most Countries
Throughout the World

Group
Fire, Marine & Casualty
Fidelity & Surety

111 JOHN STREET
NEW YORK

N. C. Agents' Group Not Subject to Tax on State Business

A recent ruling of internal revenue service determined that the writing of public insurance, and the receipts therefrom, is not an unrelated trade or business, at least for the North Carolina Assn. of Insurance Agents. The Treasury Department ruling was based on the charter of the North Carolina association and the purposes for which it was organized.

The original charter of the association indicates that the corporation was formed, among other things, "to foster relations of friendship and cordiality, promote welfare and prosperity," and, in general, "to promote the general welfare of insurance agents and insurance institutions which will protect and safeguard the insuring public."

Amendments to the original charter empower the corporation to act as agent or broker in the writing of insurance on property of the state of

(CONTINUED ON PAGE 26)

Arkansas Bans Use of Annual Renewal Plan

LITTLE ROCK—Arkansas recently joined the growing list of states which have barred use of the 78% annual renewal plan in fire insurance when Commissioner Combs approved withdrawal of the plan by Arkansas Inspection & Rating Bureau, effective April 1. Abrogation of the optional renewal plan does not disturb the bureau's 78% installment premium payment plan for three and five year contracts written at three or five year term rates.

Policies previously written under the renewal plan, however, may be continued under the plan until expiration of the five year period contemplated thereunder, Walter Plangman, bureau manager, stated. The audit division of the bureau will continue to accept and approve daily reports of April and May renewals of policies with the annual renewal endorsement form No. 15 attached received in the bureau office up to and including April 8. After that date, all daily reports received by the audit division will be non-approved if they are written with form 15 attached, Plangman stated.

In approving withdrawal of the plan, Commissioner Combs stated the department had had the subject under study for months and had come to the same conclusion reached by departments in other states that the annual renewal system discriminated against the insured in event of cancellation of a contract, as opposed to the insured with the five year cash or installment policy. The department, he said, also felt that the policyholder fares better under the installment premium system since he gets a bonafide three or five year term contract with no possibility of his insurance lapsing at annual anniversary dates within the contract term unless the company takes positive steps, under policy conditions requiring notice, etc., to end its liability. The annual renewal plan took advantage of term rates and rules but did not give the insured a real term contract, he said. Combs stated that all states in Zone 8 of NAIC, except Oklahoma, had now disapproved use of the annual renewal plan.

Simultaneously with its bulletin withdrawing the renewal plan, Arkan-

sas Inspection & Rating Bureau sent to agents a revised work-sheet as a guide for calculating premium and installment adjustments under installment premium payment contracts. Also, a new pamphlet demonstrating the shortest methods for computing original or additional or return premiums for installment policies has been supplied to agents for insertion into the Arkansas rule book. "We believe the suggested methods of computation will be of help, for they will reduce the number of mathematical steps and will eliminate, in many instances, the need

for juggling the amounts due for each installment when the remainder is not divisible by four," Manager Plangman commented.

The installment plan made its debut in Arkansas in 1946, as a deviated filing of North America and was approved by then Commissioner McKenzie. The renewal plan was filed by a number of individual companies in the following years as a competitive measure. In 1950, Commissioner Graves conducted a full dress hearing on the installment plan, and on August 15, 1950 ruled that the filing was a proper

one under Arkansas insurance laws. The decision was appealed by the Arkansas Bureau through the circuit courts to the supreme court which, in a decision dated April 30, 1951, upheld the Graves decision. Thereafter, on July 1, 1951, the Arkansas Bureau filed both plans, installment premium payment and optional annual renewal, on behalf of all of its members and subscribers. Since that time, both plans have been in widespread use with practically all fire business which is subject to term rates being written under one or the other of these plans.



His pleasure is your profit

The new boating season's just ahead—with unprecedented numbers of pleasure craft taking to inland and coastal waters.

These sizeable investments can spell increased premiums for you, if you provide the yacht insurance protection needed.

Why not follow up the Marine Office's attention-getting ads in major boating publications. Let the boat owners in your community know that you can furnish the finest available protection—through the Marine Office of America.

MARINE OFFICE of AMERICA

116 JOHN STREET, NEW YORK 38, NEW YORK



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Louisville • Philadelphia • Pittsburgh • Portland • Richmond • St. Louis • Stockton • Syracuse

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE



Claims Men Play Major Public Relations Role

The importance of good public relations and the need for seeking insurance knowledge at every opportunity was stressed by Edward S. Kelly, manager of the casualty division of General Adjustment Bureau at Atlanta, before Baltimore Claim Men's Assn.

Education is more a part of the bus-

Special Tools for Compensation

If you write insurance for firms which are self-insurers for Workmen's Compensation, you have need for the special tools provided in the reinsurance market by Illinois R. B. Jones Inc. Specific Excess insurance for each accident is in this category. Then there is Aggregate Excess to limit losses in any one year to a fixed percentage of the normal Compensation premium.

We'll relieve you of concern over the technicalities involved in these forms and in Retrospective Penalty insurance.

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REINSURANCE

United States Manager
J. K. BATTERSHILL INC.

161 East 42nd Street
New York 17, New York

UNITED STATES BRANCH, ESTABLISHED 1910

iness now than ever before; a man well versed in his work creates in himself a feeling of certainty and sureness, which enables him to be at his best in dealing with others, he said.

However, if a man is not sure of himself he resents being shown his shortcomings and this resentment causes him to say and do things that give a bad impression to the person with whom he is dealing. This can result in the insurance business as a whole—and not just the adjuster—being condemned by the person he is dealing with.

The idea that adjusters should be men who are hard hitting horse traders has long since been dispelled. No company looking to the future, Mr. Kelly said, will openly disregard its obligations and employ those men who seek to destroy the well earned recognition the business occupies in the eyes of the public.

He pointed out an adjuster must be prompt and courteous in his dealings. Many times the adjuster will be the only contact insured will have with the company. From fair dealings insured learns the value of insurance and the part it plays in his life. He rightly feels that his agent is a capable man and is convinced the right company was chosen for him.

Mr. Kelly said an insured treated fairly will be a big booster for the business and his "word of mouth" advertising will cause others to lose their skepticism and become real friends of the business.

Prompt attention to claims will bring good settlements. First contact settlements are the best. They are the cheapest and create good will for the business.

Public relations, Mr. Kelly explained, "encompasses many of our operations and is an important adjunct to our way of doing business. We owe the average man just as much consideration as we do the big man. Public relations does not set up a double standard."

It's important to remember the average man is the one who sits on juries. If he is to be a juror in a claims case, he must have faith in the insurance business. He can gain that faith only through fair dealings.

Mr. Kelly said if called to "serve on one of our cases he remembers how fairly he was treated by the adjuster and will be more reasonable in considering the case."

He said "our finest practice of public relations can come with our workmen's compensation claims. Here we deal with persons not possessed of the knowledge we have gained and who look to us for help."

Oftentimes claims men fail to realize their obligation to the injured employee; they do not pay his compensation on time, do not listen to his story of pain and discomfort from his injury; he is an impersonal thing.

This is not a proper attitude. This man needs all the help he can get. He does not have the means to keep his family supplied with food unless he is paid promptly, as he does not have a job that continues to pay his salary even though he is unable to work.

"We put off the average man," Mr. Kelly said, "because we want to serve the big man and impress him with our respect for his position. Most of the time he is not impressed, but the average man will always be grateful for your consideration of his situation and the help given him."

He added that "if we could understand how vital a part we, as individuals, play in the insurance business I am sure we would be most considerate of all with whom we deal."

FTC Rests Case Against American L.&A., Expect Motion to Dismiss

The FTC's case supporting its complaint charging American Life & Accident with false advertising of A&H insurance was closed by Robert R. Sills, counsel, after Mr. Sills and Alvis Layne, counsel for the insurer, agreed on stipulations. Mr. Layne said he would file a motion for dismissal and was given until April 18 to do so. Mr. Sills was given until May 2 to reply.

Dismissal motions will be based, in part, on the ground that FTC has no jurisdiction in complaints against the insurers because they are regulated by state law.

FTC examiner Earl Cox said he would like to have the jurisdictional question determined "on the basis of the record at this time".

Chief stipulation agreed upon was to the effect that during 1953 and 1954, the company sold at least 2,000 policies of the type in evidence outside of Missouri. Attempts were made by Mr. Sills to obtain agreement upon specific numbers of policies sold on the basis of certain mail advertising and a certain radio script advertisement of the company, but Mr. Layne balked. He said that the company's premium income is twice as great in Missouri as in all other states and that it is "utterly impossible" for the company to determine how many policies were issued in response to a radio ad.

Mr. Sills told the examiner that determination of the jurisdictional question might hinge on the advertising media used.

Cal. Sends \$25,000 to Defunct Rhode Island Co.

LOS ANGELES—Under authority of a superior court order, Insurance Commissioner McConnell, as California liquidator of the Rhode Island Ins. Co., transmitted to the Rhode Island receiver \$25,000, under the agreement whereby the California liquidator should transmit all moneys recovered to the Rhode Island liquidator and that all claims of California creditors would be paid by the Rhode Island liquidator on the same basis as other creditors of the same class. This remittance brings the total funds remitted to \$90,000.

In connection with the case the superior court entered judgment against 10 former agents of the Rhode Island Co. for unearned commissions resulting from cancellation of Rhode Island policies.

Qualification and Suit Filing Bills Killed in Kan.

The Kansas legislature has killed two insurance bills on which considerable effort had been put forth—the agent qualification measure providing for examinations, and the measure to require a one year limitation on filing suits in cases involving fire insurance to replace the present five year limitation. Very few insurance bills have been presented in the current Kansas session.

Md. FR Bills Passed

The Maryland legislature has passed and sent to the governor bills that would require owners and operators of motor vehicles using interstate commerce commission permits to file affidavits with the department of motor vehicles as to financial responsibility and require proof of financial responsibility in operation of trailers or semi-trailers.

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Mutual Agents Urge Agency Mutuals to Form Separate Unit for Agency Problems

New Jersey Assn. of Mutual Insurance Agents in its April *Mutual Memos* calls attention to the current sentiment in favor of a separate organization of agency mutuals, outside of American Mutual Alliance, by reproducing an article on the subject from the *Missouri Mutual Agent*. This was written by Bruce S. Stake and was entitled "Agency Mutuals vs. Direct Writing Mutuals". (The subject has been on the agenda of National Assn. of Mutual Insurance Agents at meetings in recent years.)

The item from the *Missouri Mutual Agent* calls attention to a resolution of Mutual Insurance Agents Assn. of Virginia & District of Columbia which strongly urged creation of an association composed only of mutual agency companies. That resolution pointed out that American Mutual Alliance is composed of both mutual agency companies and direct writing mutuals and was organized to foster the mutual insurance business. The Virginia resolution also stated that "it has been the prac-

tice of the direct writing mutual companies to solicit business in competition to the resident mutual agents who are members of this association and to engage in additional practices considered to constitute unfair competition to the resident mutual agents of this association."

The Missouri article continues that many engaged in mutual insurance long have felt the need for such an

organization. There is a greater divergence between agency mutuals and direct writing mutuals than between participating and non-participating companies, the article points out.

The article makes clear that it does not believe the action of the Virginia-D.C. association in any way reflects against American Mutual Alliance on the very wonderful work it has done. The alliance has done an outstanding job. It has been a principal factor in the growth of mutual insurance. Any reflection against the activity of the alliance therefore would certainly be

out of order, according to the Missouri article.

However, since the activities of the alliance necessarily are restricted to matters of common concern of member companies, it is not possible for the organization to deal with any matters pertaining to the mutual agency plan of operation as against the direct writing plan employed by some of its member companies. The article cites the formation of Federation of Mutual Fire Insurance Companies outside the alliance as a precedent for such an organi-

(CONTINUED ON PAGE 31)

NATIONAL ADVERTISING

that Advertises YOU

New campaign
presents

Mr. Agent

in important
community role

American F. & C. and Its Subsidiary Have Record Year

Consolidated assets of American Fidelity & Casualty and its subsidiary, American Fidelity Fire, totaled \$48,072,323 at the end of 1954, compared with \$45,474,027, year end 1953, President Irvin S. Markel reported to stockholders.

Surplus to policyholders, after dividends, totaled \$10,886,027 at year end, against \$7,789,461. Combined premiums written totaled \$33,571,281, an all-time high, against \$26,776,605. Net operating profit of both companies, after taxes, totaled \$1,519,067, against \$1,253,521. Combined net income totaled \$1,745,977, after taxes, against \$1,028,468.



I. S. Markel

Panel for Buyers, Protection Engineers

A joint luncheon meeting of the New York chapter of Society of Fire Protection Engineers and Insurance Buyers Assn. of New York will be held April 28 at the Hotel Martinique, New York City.

The meeting will consist of a forum in which a five-man panel, made up of experts in the fields of fire protection and fire insurance, will answer questions from the floor.

Matthew Braidech, director of research of National Board, will act as moderator and will speak briefly on the importance of fire protection engineering.

Panel members are Harry Bunting, New York manager of Factory Mutuals' engineering division; William C. Potter, New York manager of Factory Insurance Assn.; Alan L. King, assistant safety director of American Cyanamid Co.; Kenneth O. Smith, assistant general manager of New York Fire Insurance Rating Org.; and Robert L. Strong, manager engineering and rate survey department of Johnson & Higgins.

This campaign, appearing month after month, is aimed to benefit all insurance business. It tells the public some of the things they do not know about the importance of the agent, in business and in the home.

Any agent, regardless of his company affiliations, can get some good from this series of national ads.

Naturally, the NHG agent benefits most.

All he has to do is tell his local public, "I am your NHG PROTECTION AGENT in this town." Then he becomes the subject of every one of the national ads.



NATIONAL OF HARTFORD GROUP of Insurance Companies

Executive and Administrative Offices: Hartford 15, Connecticut

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

TRANSCONTINENTAL INSURANCE COMPANY

MECHANICS AND TRADERS INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

FIRE • MARINE • AUTOMOBILE • CASUALTY • BONDING

*The only man in your town
you wouldn't dare
do business WITHOUT!*

*He is your
PROTECTION
AGENT*

Risks exist in every business, hazards in every home.
You cannot safely conduct business... or even run a household... without protection.
Today property of any sort should be protected... and the man qualified to do so is the Protection Agent representing the National of Hartford Group of insurance companies.
Maybe you think of the police department to protect you against theft or the fire department against fire. But should these fail, the NHG man still protects you!
The NHG Protection Agent is an expert, licensed by the state. He surveys your property, appraises your risks, recommends what your coverage should be against each one.

Part of his job is to write up policies and place them for you with reputable insurance companies. In doing so, he selects companies rated financially able to repay you in case of loss... companies with a reputation for paying claims promptly.
Odd fact: The NHG Protection Agent is not obliged to insure you with the companies in the National of Hartford Group. When he does, it is because his experience and judgment tell him NHG will best serve your interests.
That is one more reason you are urged to let us put you in touch with the NHG Protection Agent in your community.

**NATIONAL OF HARTFORD GROUP
of Insurance Companies**
Executive and Administrative Offices: Hartford 15, Connecticut.
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD; MECHANICS AND TRADERS INSURANCE COMPANY; FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK; TRANSCONTINENTAL INSURANCE COMPANY; UNITED NATIONAL INDEMNITY COMPANY.
FIRE • MARINE • AUTOMOBILE • CASUALTY • BONDING

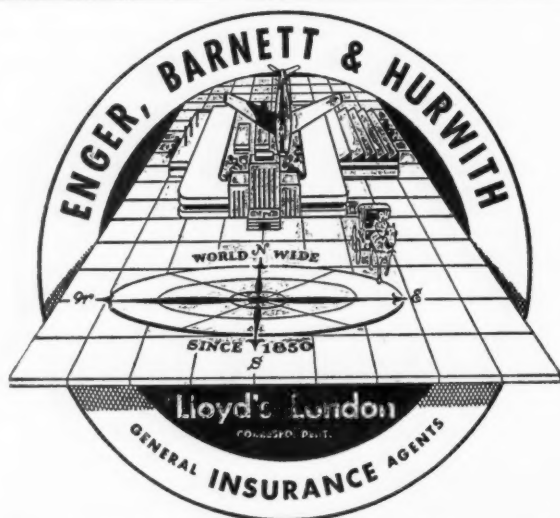
The new NHG national advertising appears in these publications with choice circulation in the area you serve:

POST • TIME • BUSINESS WEEK

Your NHG field man can tell you all about it. He will explain how easy it is for any NHG agent to identify himself with this campaign in the eyes of the public. Ask him to see that you get advance proofs of every ad.

If you are not now an agent for

NHG, ask yourself "What other insurance company does so much to build me up with customers?" You may decide it is worth your while to ride with the NHG campaign. If you do, just write for a field man to call and discuss the NHG proposition.



Nation-Wide Multiple Line Plus

- REINSURANCES
- HIGH RATED AND/OR SURPLUS LINE FIRE
- REPLACEMENT COST (ANY SITE)
- BUSINESS INTERRUPTION
- BURGLARY, Interior, Exterior Robbery
- OVERAGE ACCIDENT
- ERRORS AND OMISSIONS
- HIGH LIMIT EXCESS Public Liability, Property Damage, Products
- HULL, P AND I, EXCESS CARGO
- PILOT, EXECUTIVE TRAVEL ACCIDENT

ALL UNUSUAL RISKS

533 S. Dearborn Street, Chicago 5, Illinois
Cable Enghur — Chicago

AN INVITATION TO PROGRESSIVE AGENTS

WRITE FOR
FULL INFORMATION ON OUR
MULTIPLE LINE WRITINGS

R. N. HIATT, VICE-PRESIDENT

Licensed
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States

INDIANA LUMBERMENS
MUTUAL Insurance Company

Home Office: 429 N. Pennsylvania Street
Indianapolis 9, Indiana

OUR REPUTATION IS BUILT ON
69 YEARS OF UNFAILING SERVICE—

... to our Agents and their Clients
Life • Accident & Health • Hospitalization • Surgery
"The Complete Circle Of Personal Protection"

The North American Accident Insurance Co.
209 South La Salle Street Chicago 4, Illinois

Mass. Brokers Offer Ideas for Handling Future Catastrophes

Lines for Brokers, newsletter of Massachusetts Insurance Brokers Assn., offers several suggestions for handling future catastrophic situations from the all-industry angle. The bulletin takes into consideration the things that went wrong and the things that were right in the adjusting of claims after Hurricanes Carol and Edna.

All agency companies, either stock or mutual, should unite in a single plan so losses will be adjusted in the most efficient manner. It is not efficient to have a National Board plan, a New England mutuals plan, and two or three independent companies with a "no plan", sometimes found in one agent's office, the bulletin points out.

Losses should be assigned to adjusters by territory so that adjacent neighbors will not have different adjusters, each working in a different way. Territorial adjustments would prevent one person from getting an adjustment immediately and a neighbor having to wait for weeks. Assignments by territories would also save time for adjusters for they would not have to do so much traveling from claimant to claimant. If there were all-industry control and territorial assignments, it would be possible to regulate the number of assignments to each adjuster, the bulletin comments.

Producers must be educated as to their responsibilities in connection with reporting losses so that a loss will not be reported as a hardship case unless it really is. They should also make certain that the loss exceeds the deductible before a claim is reported.

The business should agree on a short form, uniform, catastrophe proof of loss and statement of loss which would cut out all red tape. Such a form would also lessen paper work for the adjuster in times of a catastrophe.

A file of available manpower to call upon in event of a catastrophe should be built up and maintained. It should contain names of retired insurance personnel, contractors and others qualified to adjust losses or handle clerical and administrative duties when called upon to do so.

Wave wash-wind complications could be alleviated by offering wave wash coverage, at a price, either on an optional basis or as a mandatory part of extended coverage in areas where wave wash is a problem. The problem of seaside properties situated on high ground which would never be reached by high water could be answered by making low, specific rates for these particular properties.

All industry advertising should include both the good and the bad in advertising and the story should be kept constantly before the public. Then the business would not have to resort to one-shot advertisements, as it did immediately after the hurricanes, to prepare the public for a rate increase.

Everyone should stick to the rules, with no exceptions, once a plan for catastrophe handling is made. The good of the group is more important than any one producer, or insured, no matter how large, the bulletin points out.

Insurer Installs New Fire Detection System

Christiania General, Tarrytown, N. Y., is the first insurance company in the United States to install the C-O-Two pre-detector fire alarm system, a

device using what is called the ionization chamber principle of fire protection. This detector system is based on research in Switzerland. Each detection head is sensitive enough to protect 60 square feet. Inside the head is a very minute source of radioactive material. A very slight exposure of gases from any kind of combustion and the radiation ionizes the air in the detector head, causing that air to become electrically conductive, and setting off an alarm.

Arne Fougner, president of Christiania General, states that the detection system is so sensitive that the lighting of eight candles on a dining room table in the office building will set off the alarm unless the degree of sensitivity in the detection head is modified, as it may be, to fit surrounding combustion exposures. Installation was done, he says, without the slightest inconvenience to the office and since each head will protect 60 square feet, the installation can be done very rapidly.

The device is manufactured by Pyrene—C-O-Two, Newark.

Sales, IM Forums Slated for 1-Day at Washington

WASHINGTON—The Insurance-Day program at the Mayflower hotel April 15 will include a sales and an inland marine forum.

Clifford W. Burnham, associate director of the Hartford Fire training center, and V. Manning Hoffman, J. L. Jagoe and Victor Schinnerer, past presidents of District of Columbia Assn. of Insurance Agents, will participate in the sales panel.

The IM forum will be led by Richard A. Lydecker, secretary of Great American. Other participants will be John Gillette, special agent of Aetna Casualty & Surety; John Carson, special agent of North America; Theodore Beurmann, agent manager of the H. L. Rust Co. insurance department, and William Horner of McLaughlin Co.

Fireman's Fund Has New Booklet in "Profit" Series

Fireman's Fund group has published the fourth in its series of insurance technical and sales text books. The newest booklet in the "production for profit" series covers all major inland marine lines, taking up individual policies and floaters as to prospects, coverage, amount of premiums, benefits and sales points, direct mail and other promotional aids. There are several charts to assist producers in selecting proper coverages for individual clients.

The booklet is divided into three sections—personalized, business coverages and farm policies.

The other Fireman's Fund booklets cover fidelity and surety, A&H and business interruption.

Two New Tex. Reciprocals

National Automobile Insurance Assn., a reciprocal of Dallas, has been organized to write automobile full cover. It has a surplus of \$65,718. Elizabeth A. Gifford is attorney in fact. Another reciprocal, Security Casualty Underwriters of Austin, has been organized to write A&H insurance. It has a surplus of \$51,250, and Grogan Lord is attorney in fact.

Error in Lloyds Figure

The figures shown in the March 31 issue for the Illinois fidelity-surety premiums of London Lloyds (Illinois) were incorrect. The premiums were given as \$1,396. Actually, Lloyds had fidelity-surety direct premiums of \$660,520, of which \$660,508 were fidelity and \$13 were surety. Losses incurred were \$808,358, all fidelity.

Jefferson of New York and Merchants & Manufacturers of New York have been licensed in Texas.

Insurance Loss from Downtown Freeport Fire Put at \$400,000

The insurance loss will be substantial from the fire which completely destroyed two principal buildings in the business district of Freeport, Ill., the day before Easter. Estimates of damage run from \$750,000 to \$1 million, and it is expected the insurance loss will exceed \$400,000.

City firemen were lauded for containing the fire in the two affected buildings. A third communicating department store, which suffered relatively minor smoke and water damage, represented a potential insurance loss of more than \$600,000.

The fire originated from an undetermined cause in the 2nd National Bank building, a six-story structure of ordinary construction, and spread to a three-story adjoining ladies' ready-to-wear store. Both buildings, completely destroyed, will be razed. A restaurant and Ford Hopkins drug store, with an exceptionally high inventory, occupied the ground floor of the bank building. The remainder of the building was occupied by doctors, dentists, lawyers and other offices, including those of the following insurance agencies: Wittenmeyer & Bangs, Matthew A. Marvin, the David H. Hardie Northwestern Mutual Life agency and the Victor Duray agency of Franklin Life. Marvin Burt, who is chairman of the insurance committee of the Illinois senate, also had his office in the building. All the offices were in temporary quarters by the Monday following the fire.

Insurance on the bank building, valued at \$140,000, was \$125,000, with Crum & Forster writing \$75,000 and American of New Jersey \$50,000. Several insurers will be brought into the building loss through reinsurance. It is understood National Fire and Hartford Fire have large amounts. Wittenmeyer & Bangs handled the line.

Damage to contents in the building was heavy, though insurance loss is not expected to be more than \$160,000, the drug store inventory and furniture and fixtures, a line handled by Eliel & Loeb of Chicago, accounting for \$60,000 of this. The Schirmer agency handles insurance for the Ruhls' ladies store which also was a total building and contents loss. It is understood the insurance on the building was \$45,000, on stock and fixtures \$35,000, with \$25,000 of business interruption.

Damage to Read's department store, a sprinklered risk which has overall coverage of about \$680,000, is almost exclusively of smoke and water nature. This line is handled by Underwriters Service Assn. There is business interruption coverage of \$215,000, through USA has only \$90,000 of this, as well as a \$25,000 rents policy. Airkem, Inc., had its odor control equipment in the building the day following the fire. It is estimated damage to stock will be limited to \$10,000, with a similar loss on the building. There also will be a small loss to a group of apartments adjoining the bank building. There is \$100,000 coverage on the apartment building.

It was necessary to block off entrances to several stores in the block in which the destroyed buildings were located, as well as those across the street from them. Business interruption losses arising from the closed stores probably will be higher because the fire occurred on an especially busy shopping day. A bakery which had no means for customer ingress stated that

the day before Easter was its busiest of the year.

Both Western Adjustment and Underwriters Adjusting had men on the scene immediately. Western sent three men from its Rockford office. They arrived about two hours after the fire started, staying on the scene both Saturday and Sunday.

Heavy loss of valuable papers and records was expected, though the danger of falling walls made early entrance to the building for the purpose of examining safes and vaults impossible.

FTC Ends Hearing on One Complaint, to Continue with Others

WASHINGTON—Hearings on the federal trade commission's complaint charging Automobile Owners Safety with false advertising of A&H insurance have been concluded.

Alvis Layne, counsel for the company, was given three weeks in which to file briefs and a motion to dismiss and the commission three weeks thereafter for its reply brief. P. R.

Melington appeared as counsel supporting the complaint.

Scheduled to be argued this week were motions to dismiss FTC complaints against Life of America at Delaware and Guarantee Reserve Life of Indiana.

Schnoor Joins Siebers Agency

Leonard M. Schnoor has joined the George A. Siebers & Co. agency of Kansas City, Kan., in charge of the surety bond department. Previously, Mr. Schnoor was with Travelers and Massachusetts Bonding at Kansas City as bond underwriter.

THE GLENS FALLS
HAS ALWAYS
SUPPORTED



IF FIRE SHOULD DAMAGE YOUR HOME



Your local insurance agent serves you day and night.

Would you know what to do? Which way to turn? It is easy to overlook during the nerve-racking time of a fire that your insurance policy contract requires you to do certain things in the event of a loss. What a vast relief to be able to call your local insurance agent at any time — night or day — and hear him say, "Don't worry. I'll be with you in a jiffy. You've even got Additional Living Expense Insurance* to help tide you over until you can get back into your own home."

* Additional Living Expense Insurance is low cost - high value protection. Call your local insurance agent today for details.

Glens Falls Insurance Board

W. Joseph McPhillips
E. Leo Spain Agency, Inc.
Proffler Agency, Inc.
Carson-Duffy, Inc.
Cool Insuring Agency, Inc.
Daniel P. Shine
Basil Durkee



The advice and services of these insurance agents are as close to you as your telephone.

Elizabeth J. Cooney
Van Dyke Insuring Agency
John Derby
Michael C. Linehan
K. G. Abbott and Co. Inc.
Loomis Agency, Inc.
Barber and Howe

THE
AMERICAN
AGENCY
SYSTEM

In the interests of the American Agency System, mats of the newspaper advertisement shown are offered in two- and three-column sizes at cost — \$3.50 and \$5.00 respectively. The mats are arranged to accommodate the signature of an agent, local insurance board or association, and portray the place of the local agent in his community. Other advertisements in the series will be announced at later dates.

"Old and Tried" Organized 1849

Glens Falls

INSURANCE COMPANY

Glens Falls, N. Y.

Memo from "Wabash F & C"

*a Multiple Line company,
organized to meet the needs
of Insurance Agents in a
growing America.*

*Policyholders' Surplus in excess
of \$3,000,000.00.*

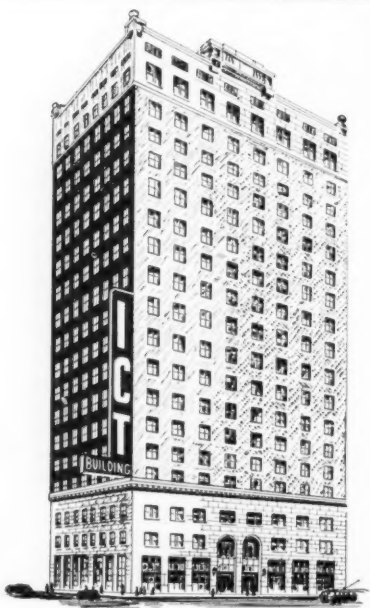
*We have been authorized or have
made application to write insurance
in 20 states.*

*We are seeking capable agency
representation.*

For complete information, write to:

WABASH FIRE AND CASUALTY INSURANCE COMPANY

Henry F. Schricker, President
1622 North Meridian Street Indianapolis 6, Indiana



Liability
Automobile
Business Interruption
Fidelity and Surety Bonds
Inland Marine
Accident and Health
Workmen's Compensation
Burglary
**Fire and Allied Lines
of Insurance**

**The ICT
INSURANCE
COMPANY**

Home Office: Dallas, Texas
Ben Jack Cage, President



JACK CAGE & COMPANY
Managers

Travelers Companies Make Administrative Personnel Changes

A number of administrative personnel changes have been made by the Travelers companies.

Gladden W. Baker, recently named as board finance committee chairman, has officially retired as vice-president and treasurer to devote himself wholly to supervision of the investing and lending of funds of the companies.

Daniel M. Duffield was promoted from assistant treasurer to 2nd vice-president and Kenneth R. Lee from assistant treasurer to treasurer of the companies. Mr. Duffield, assisted by Mr. Lee, will have charge of securities investments.

Allan C. Robotham was promoted from assistant comptroller to assistant cashier.

Bruce P. Henn, assistant secretary of the methods and planning department, has been transferred to the companies' claim department in the same capacity.

William F. Smith, was named assistant secretary of the casualty claim department in which he will have supervision of fidelity and surety claims under William H. Zweig, department secretary.

Alaska Countersignature Law Is Now in Effect

The Alaska countersignature law has been signed by the governor and went into effect April 1.

All policies covering Alaska risks must be countersigned by a licensed resident agent of the territory. If the risk is placed by a licensed non-resident broker, the policy must be countersigned by a resident agent and a commission of at least 5% paid to the countersigning agent. A legal interpretation of the law holds that its provisions are applicable only as respects policies issued by authorized insurers, that the new law does not apply to risks placed under the surplus line law, therefore such transactions are wholly without the provisions of the new countersignature measure.

At the time of filing an annual statement, an authorized insurer must attach an affidavit of non-violation of the countersignature law.

Countersignature must be effected by an individual, licensed as a resident agent of the insurer in Alaska. Parenthetically, it is noted that a person must be a resident of Alaska for at least one year before holding a resident agent's license.

Hawkins, Erckert Named in Field by N. Y. Reciprocals

Ernest M. Hawkins has been named division manager for Texas-Arkansas-Oklahoma for the Associated Reciprocal Exchanges of Port Chester, N. Y., and Louis H. Erckert has been named to the same position in Michigan.

Mr. Hawkins replaces John C. Morrison in the southwest. Mr. Morrison has gone to the home office as account executive. Mr. Hawkins has been at the home office.

Mr. Erckert replaces Frank B. Taylor in the Michigan field. Mr. Taylor having resigned to enter another business at St. Louis. Mr. Erckert has been division manager in Indiana-Ohio for seven years, and will continue to service that area as well.

New Underwriters Adjusting Office Opened at Aurora

Underwriters Adjusting has opened an office at Aurora, Ill., with Warren F. Wagner as manager. The new branch will service Kane and Kendall counties.

Convention Dates

April 17-18, National Assn. of Insurance Agents, midyear, Allis hotel, Wichita, Kan.

April 17-19, Mississippi Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.

April 17-19, New York State Assn. of Mutual Insurance Agents, annual, Hotel Syracuse, Syracuse.

April 17-19, Midwest Territorial Conference of National Assn. of Insurance Agents, annual, Broadview hotel, Wichita, Kan.

April 21-23, National Assn. of Independent Insurance Adjusters, annual, Edgewater Beach hotel, Chicago.

April 25, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Baltimore hotel, Providence.

April 27-29, National Assn. of Insurance Commissioners, zone 2 meeting, Sheraton-Belvedere hotel, Baltimore.

April 28-29, Ohio Assn. of Mutual Insurance Agents, annual, Neil House, Columbus.

April 28-29, Oklahoma Assn. of Mutual Insurance Agents, annual, Tulsa hotel, Tulsa.

April 29, District of Columbia Assn. of Insurance Agents, annual, Mayflower hotel, Washington, D. C.

May 1-3, Alabama Assn. of Insurance Agents, annual, Tutwiler hotel, Birmingham.

May 1-3, Florida Assn. of Mutual Insurance Agents, annual, Tides hotel, St. Petersburg.

May 1-4, National Assn. of Insurance Commissioners, zone 3 meeting, Seelbach hotel, Louisville, Ky.

May 2-4, National Assn. Surety Bond Producers, annual, Hotel Waldorf Astoria, New York.

May 4-6, American Management Assn., Insurance Conference, Statler hotel, New York City.

May 5-7, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 6-7, Florida Assn. of Insurance Agents, annual, Hotel di Lido, Miami Beach.

May 6-7, Rocky Mountain Territorial Conference, National Assn. of Insurance Agents, Broadmoor hotel, Colorado Springs.

May 8-9, New Jersey Assn. of Mutual Insurance Agents, annual, Hotel Berkeley-Carteret, Asbury Park.

May 8-10, New York Assn. of Insurance Agents, annual, Hotel Syracuse, Syracuse.

May 8-10, Mutual Insurance Agents Assn. of Virginia, annual, Shoreham hotel, Washington, D. C.

May 9-10, Virginia-D. C. Assn. of Mutual Insurance Agents, annual, Shoreham hotel, Washington, D. C.

May 9-11, H & A Underwriters Conference, annual, King Edward hotel, Toronto, Ont., Can.

May 10, Assn. of Casualty & Surety Companies, annual, Waldorf Astoria hotel, New York City.

May 11, National Bureau of Casualty Underwriters, annual, New York City.

May 12, Surety Assn. of America, annual, Hotel Astor, New York City.

May 12, Wisconsin Assn. of Insurance Agents, midyear, Loraine hotel, Madison.

May 12-14, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.

May 13-14, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.

May 16-17, Georgia Assn. of Mutual Insurance Agents, annual, Radium Springs, Albany.

May 16-20, National Fire Protection Assn., annual, Netherlands Plaza, Cincinnati.

May 16, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.

May 18-20, Georgia Assn. of Insurance Agents, annual, Atlanta Biltmore hotel, Atlanta.

May 19, Society of Fire Protection Engineers, annual, Netherlands Plaza, Cincinnati.

May 19-20, Arkansas Assn. of Insurance Agents, annual, The Arlington, Hot Springs.

May 19-21, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.

May 20-21, Texas Assn. of Insurance Agents, annual, Galvez hotel, Galveston.

May 22-24, Tennessee-Arkansas Assn. of Mutual Insurance Agents, annual, Hotel Peabody, Memphis.

May 23-25, Board of Fire Underwriters of the Pacific, annual, Biltmore hotel, Santa Barbara, Cal.

May 23-25, Insurance Accounting & Statistical Assn., Palmer House, Chicago.

May 24-25, National Assn. of Insurance Brokers, annual, Mark Hopkins hotel, San Francisco.

Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

National Board Tells Story of Handling of Catastrophe Plan in Recent Storms

National Board has related the story of the handling of the catastrophe plan in the recent windstorms and told how the public and agents were informed of developments as they occurred.

On March 11 there occurred in the Ohio Valley one of the worst windstorms of the year. Property damage ran into the millions.

Twelve days later, windstorms up to 90 miles an hour raked parts of Michigan, Ohio and Kentucky. In Indiana 70-mile-an-hour winds blasted out windows, lifted roofs, knocked over brick walls, felled trees and power lines. Losses again were in the millions.

In the insurance business such storms set off a chain-reaction of intensive activity and long hours of work. Within minutes after a report of windstorm catastrophe, the general adjuster of National Board sets in motion the machinery of a vast loss adjusting procedure designed to achieve uniformity of adjustments and expeditious handling of all claims.

Most important, however, is the need to keep agents and public fully informed. To do this the general adjuster makes immediate use of all publicity media—press, radio and television.

The afternoon of March 11, for instance, National Board sent a one-page news release to the trade press, New York newspapers and wire services and to all newspapers in the area affected by the storm. The release told the public that representatives of stock fire companies were moving quickly to provide all necessary facilities required in the Pittsburgh and eastern Ohio storm areas.

The release explained that General Adjustment Bureau was considering emergency plans for shifting additional adjusters into the area to hasten the handling of the large number of claims that were expected to result. In addition, it stated that Eastern Underwriters Assn. was cooperating in the emergency plans.

It also explained that completion of plans would be made on the basis of request reports being received by National Board from GAB, Douglas W. Rodda of National Union group, chairman of the Pittsburgh fire loss conference, Fred Berlin of Home, chairman of the catastrophe loss committee of Smoke & Cinder club, and from National Board members in Pittsburgh.

Thus National Board was able to give in a second news release March 14 first estimates of insured storm losses in Pittsburgh and western Pennsylvania. The release also pointed out that an extra corps of adjusters and additional office personnel had been provided to expedite the handling of these

claims and that in addition to the regular Pittsburgh office of GAB, a separate storm office had been set up at the Sheraton hotel building to handle the losses. Moreover, 15 adjusters already had been sent into the Pittsburgh area, while additional adjusters were being held in readiness.

Just a full week after the storm, a third release was sent out giving revised estimates of losses and disclosing that GAB had augmented its Pittsburgh staff with 30 additional adjusters and office personnel from other sections of the country, that a separate storm claims office had been set up and that established local independent adjusting firms were taking similar steps.

When the March 22 storm was reported, damage was quickly assessed by National Board in each state, eastern Michigan, Indiana, Kentucky and Ohio. National Board also told how Western Adjustment and Underwriters Adjusting were sending additional insurance adjusters into the affected areas in order to facilitate the handling of claims and in addition were setting up special storms claims offices to facilitate service to the public. In a second release the following day, National Board made a revised loss estimate.

In both instances, catastrophe serial numbers were assigned and bulletins dispatched to members of National Board and subscribers to Actuarial Bureau.

Back of these reports to the public is a well-planned operation that had begun early March 11, the morning of the first storm. When word of it reached National Board, its general adjuster, B. P. L. Carden, set in motion its catastrophe loss procedure. In the storm of March 22, the operation was almost identical.

But no catastrophe loss procedure or plan of action in such emergencies would be possible, National Board emphasized, without the full cooperation of the company-owned adjusting organizations, and the underwriting and insurance loss associations in the field.

The catastrophe loss chairmen and press chairmen of the regional associations are playing an increasingly important role. The former bring together agents, field men, and representatives of various groups, prepare bulletins to instruct agents and field men on procedure to be followed, and make certain catastrophe notices of loss are available. The latter arrange to give news of losses to the local newspapers, radio and television stations and to be available for interviews when needed.

As the press chairmen become known

in their communities, their function understood and recognized by the press, their contribution to the successful operation of catastrophe loss procedure will be self-evident.

Telling the company story at the local level, National Board points out, is the best in good public relations.

As an example of this, Donald B. Sherwood, National Board assistant general manager, tells how the manager of a radio station in Lancaster, O., wired National Board for additional information that was immediately made available, whereupon he expressed his appreciation for receiving the information he needed for the people in his community.

He tells also of how Michigan Fire Underwriters Assn. made helpful suggestions to property owners sustaining storm damage, how their members also made an on-the-spot survey of losses in the Port Huron and Algonac areas, as well as Detroit and the entire north-eastern shore of Lake St. Clair, and reported their findings to the press.

Role of Insurance, Agent Told in Home Film

A preview of Home's latest sound slide film, a documentary type presentation in two parts entitled "Feature Story" and "The Man Between," was held at the home office attended by executives of National Assn. of Insurance Agents, various state associations and the insurance press.

The color film, narrated by TV commentator Ben Grauer, presents a graphic story of the role played by property insurance and the local agent in a community.

The first part shows how fire insurance aided two families whose homes suffered blazes; how loss of earnings insurance helped a couple who owned a small store hit by fire; how a personal property floater replaced a camera lost by a man enroute to visit his grandson; and how hail insurance enabled a young man to go to college even though his father's corn crop was destroyed by a hailstorm.

The second part relates the story of the local agent and how he works for the betterment of his community as well as serving as the man who protects families, businesses and property.

The film is being made available to local agents for showing before civic, social and business groups and schools, churches and clubs.

Zurich Women Visit Aged

Twenty-two women employees of the loss records department of Zurich at Chicago launched "Operation Friendship" at the Oak Forest home for the aged during the Easter season. This is an extension of the activity begun last Christmas, when members of the department "adopted" a 40-woman ward at the home and presented the ladies with a variety of useful gifts. Investigation showed that, while holiday presents were appreciated, the greatest lack in the lives of the elderly women was companionship.

Causes of Large Fire Losses Studied by Factory Mutuals

An illuminating picture of what conditions are likely to produce heavy fire losses was presented in an analysis of losses made by the Factory Mutuals.

The analysis was the result of a study of fire experience over a recent 10-year period involving 305 losses, each costing at least \$25,000 and totalling \$2,754,000 in property damage and \$5,178,000 in use and occupancy. This represents less than 1% of the number of fires in the period, but more than 50% of the total fire loss.

Improperly closed sprinkler valves, a condition existing in 10 of the fires studied, was the costliest type of negligence. Losses from these fires totaled \$6,364,000. Other conditions and the total cost and number of fires in which they existed are:

No sprinklers, \$4,183,000 (10 losses); asphalt-coated-metal roofs without sprinklers, \$2,708,000 (16 losses); exposure from fires in adjoining property, \$2,633,000 (11); a few sprinklers lacking in an otherwise fully sprinklered area, \$2,440,000 (34); detached minor buildings without sprinklers but containing high-value storage, \$2,244,000 (34).

Other factors contributing to large fire losses were sprinkler valves shut before the fire was fully under control, \$2 million (14 losses); storage piled too high to permit effective water distribution from sprinklers, \$1,511,000 (25); hazardous processes, especially those involving flammable liquids, \$1,461,000 (21); storage easily damaged by water, \$1,323,000 (19).

Also, buildings under construction, \$1,171,000 (11 losses); large electrical units being put out of service and causing serious production interruptions, \$1,137,000 (20); inadequate water supplies, \$1,030,000 (7); floor leakage during a fire causing damage in the lower floors, \$787,000 (14).

Other factors listed and the total loss of fires studied were obstructed water distribution, \$507,000 (9 losses); poor housekeeping contributing to the spread of the fire, \$355,000 (5); obstructed sprinkler piping, \$338,000 (7); defective fire cut-offs, such as holes in the fire walls, permitting the blaze to pass to other areas, \$272,000 (8); and yard storage subject to outside ignition sources and not under automatic fire protection, \$254,000 (5).

Accept Entries for Kemper Grants

CHICAGO—The Kemper foundation for traffic safety is accepting applications from police officers throughout the country for 32 traffic study fellowships and scholarships.

Sixteen fellowships worth \$1,650 each and 16 scholarships of \$500 each are being made available to city, county and state police officers.

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R. I. Agents Slate Midyear April 25

Rhode Island Assn. of Insurance agents will hold its midyear meeting April 25 at the Sheraton-Biltmore hotel, Providence.

David Gray, assistant to the vice-president of Afco, New York, will speak on more production and less expense through premium financing; Edward J. Quillan, secretary of E. L. Watson Co., Vincent J. Toher, special agent of Hanover Fire, and Vincent W. Hopkins, assistant branch manager of General Adjustment Bureau, all of Providence, will conduct a forum on multiple peril and broad form dwelling policies, and Chester M. Kellogg, vice-president of Alfred M. Best Co., will speak on looking ahead.

James Goldsmith, a partner in Goldsmith & Levin, Co., Providence, will serve as moderator for the forum. Mr. Kellogg will speak at the evening banquet.

Paul van Zeeland Joins Agency Managers Board

Paul van Zeeland, prime minister of Belgium in the 1930s and minister of foreign affairs from 1949 to 1954, has joined the board of Agency Managers Limited of New York, it was disclosed by Ben D. Cooke, managing director of the company. Agency Managers are United States casualty reinsurance managers of Northern Assurance and Citizens Casualty.

In exile in the U. S. during the war, Mr. Van Zeeland became dean of the faculty of political sciences in the Ecole Libre des Hautes Etudes, established under the sponsorship of the New School for Social Research in New York, the faculty of which was composed of 60 exiled French and Belgian scholars.

He holds honorary LL. D. degrees from Princeton and Brown universities, an honorary D. C. L. from Wesleyan and doctorates in law and political and diplomatic sciences from Louvain university.

Detroit Buyers Association to Affiliate with NIBA

Members of Insurance Buyers Assn. of Detroit have voted to affiliate with National Insurance Buyers Assn.

The Detroit association, which now has 36 members, was organized in 1950. Officers are E. F. Neubecker of Burroughs Corp., president; M. R. DeLaurier of Detroit Edison Co., vice-president; R. H. French of Michigan Wisconsin Pipe Line Co., secretary, and W. A. Johnston of Chrysler Corp., treasurer.

Accountants Hear Manton

Insurance Accountants Assn. of New York city heard E. A. G. Manton, president of American International Underwriters, speak on the role of American insurers in the international market.

N. C. Package Policy Bill

A bill has been introduced in the North Carolina legislature that would authorize the insurance commissioner to approve policies combining other coverages with fire insurance with either a divisible or indivisible premium.

N. E. Mutual Agents' Annual

Mutual Insurance Agents Assn. of New England will hold its annual convention in Boston Sept. 26-27.

Named J&H Vice-President

Alexander M. Wood has been elected a vice-president of Johnson & Higgins

of Illinois. He joined the company at New York City in 1939, and after military service became a special agent in Georgia and South Carolina for Aetna Fire. He rejoined Johnson & Higgins at Chicago in 1947 and in 1953 became an assistant vice-president.

North America Group Honors T. W. Sprickman

Thomas W. Sprickman, underwriter for North America Companies, Chicago service office, was given a luncheon recently to commemorate his 50 years of service.

Mr. Sprickman began with what was then the western service department of Ins. Co. of North America at Erie, Pa., in 1905. The department moved to Chicago in 1910, but Mr. Sprickman stayed on with the old Philadelphia Underwriters, now Philadelphia Fire & Marine, until the department also moved to Chicago in 1917.

In 1924, Mr. Sprickman was state agent for Indiana at Indianapolis for Philadelphia F. & M. and in 1934 he was state agent at South Bend for northern Indiana for the North America group.

At the luncheon V. L. Montgomery, manager of the Chicago service office, on behalf of the company presented Mr. Sprickman with a bronze plaque and other gifts.

Mountain Field Club Aids Agents Through Bulletins

Mountain Insurance Field Club of Manchester, N. H., keeps agents in that state and Vermont informed of material available that will aid them in the interests of improved public relations, through monthly bulletins.

The bulletins explain what films are available for public showings, how to obtain speakers on such subjects as safety and fire prevention and protection and protection material on hand for local clean-up week campaign, insurance literature that can be obtained and how town inspections are arranged, all of which enables the agents better to serve the public.

Aubrey to Manage New Horton Adjustment Office at Cincinnati

Horton Adjustment Co. has opened a new office at 2108 Union Central building, Cincinnati. Frank B. Aubrey, who has been adjuster in the company's Louisville and Lexington offices and manager at Corbin and Elizabethtown, will be manager.

Manclark Named at Salt Lake

Thomas W. Manclark, who has been in United Pacific's underwriting department, has been named manager of casualty underwriting at Salt Lake City. He joined the company in 1951 after having been with Lamping & Co. at Seattle as auto and casualty underwriter. Prior to that he was with Royal Exchange group and British Oak at Glasgow, Scotland.

F. & D. Writes Storm Drain Bond

LOS ANGELES—Morrison-Knudsen Co. and Stolte, Inc., of Los Angeles, as joint venturers, have been awarded a contract by the Los Angeles county board of supervisors for construction of a storm drain and interceptor at Long Beach at a bid price of \$1,158,185. Fidelity & Deposit is surety on the work.

J. J. Gutstadt Agency Moving

The J. J. Gutstadt Co. agency of Chicago is moving to new and larger quarters in the Board of Trade building there about April 15.

Earl M. Larimer, Minnesota director of highway safety, was speaker at the April meeting of Insurance Club of Minneapolis.

Clear Up D-O-C, Non-Owner Conflict for Govt. Employees

NEW YORK—Among April 13 changes in the auto casualty manual of National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau is the elimination of a discrepancy between named non-owner and drive other cars rules which has caused considerable confusion in protecting government officials and employees. Because the federal government never insures its autos and a good many other governmental bodies operate similarly, this has been something of an insurance man's headache.

Under the new rules, the employee of a government which does not carry automobile liability insurance pays the same premium for protection whether he obtains it under the named non-owner policy or as broad form drive other cars insurance. Previously, a government employee who purchased broad form drive other cars coverage had to pay the full specified car rate

applicable to the highest rated government car regularly used by him, if the government did not carry insurance. This was an exception to the use of other automobiles rules in the manual. No similar exception appeared in the named non-owner section, with the result that a government employee who did not happen to own a personal automobile could purchase named non-owner coverage for a lower premium than the broad form drive other cars charge.

Under the revised rules, both named non-owner and broad form drive other

cars coverages for such government employees take 50% of the specified car rate applicable to the highest rated government car assigned for individual uses or furnished for regular use in connection with their duties. This is, of course, a substantial reduction for the insured who owns a personal car and purchases broad form drive other cars cover, but it amounts to an increase for the government official who does not own a car and buys named non-owner insurance.

The 50% charge applies only when the government agency is one which

invokes the governmental immunity doctrine and does not carry insurance or otherwise provide for satisfaction of claims against an employee. The limited drive other cars coverage of the basic auto liability policy will do, of course, where the car is not furnished for the employee's regular use. If a car is furnished for regular use but the government carries insurance or provides for satisfaction of claims against the employee, broad form drive other cars or named non-owner coverage may be written at the customary rates.

Bank Robbery Trend Continues; \$305,243 Taken in Queens, N. Y.

The \$305,243 stolen in a holdup at the Woodside, Queens, N. Y., branch of the Chase Manhattan bank was covered by a number of bonding companies. The haul was believed to be a record for cash stolen in a U. S. bank holdup.

The FBI has expressed concern over the increase in bank robberies across the country. From 100 in 1950, they increased to 307 in 1954.

In order to stem the rise, the FBI has arranged 100 law enforcement conferences throughout the country at which police, prosecutors and representatives of banks and insurance companies are given instructions on the latest prevention and detection techniques and discuss all facets of the bank robbery problems.

Purpose of the conferences, J. Edgar Hoover, FBI director, pointed out, is to bolster the cooperative pooling of experiences, techniques and resources which "does so much to increase the efficiency of present-day law enforcement."

He feels that by making the offense more hazardous the bank robbery trend can be reversed.

Most Hazel Claims Settled in S. C.

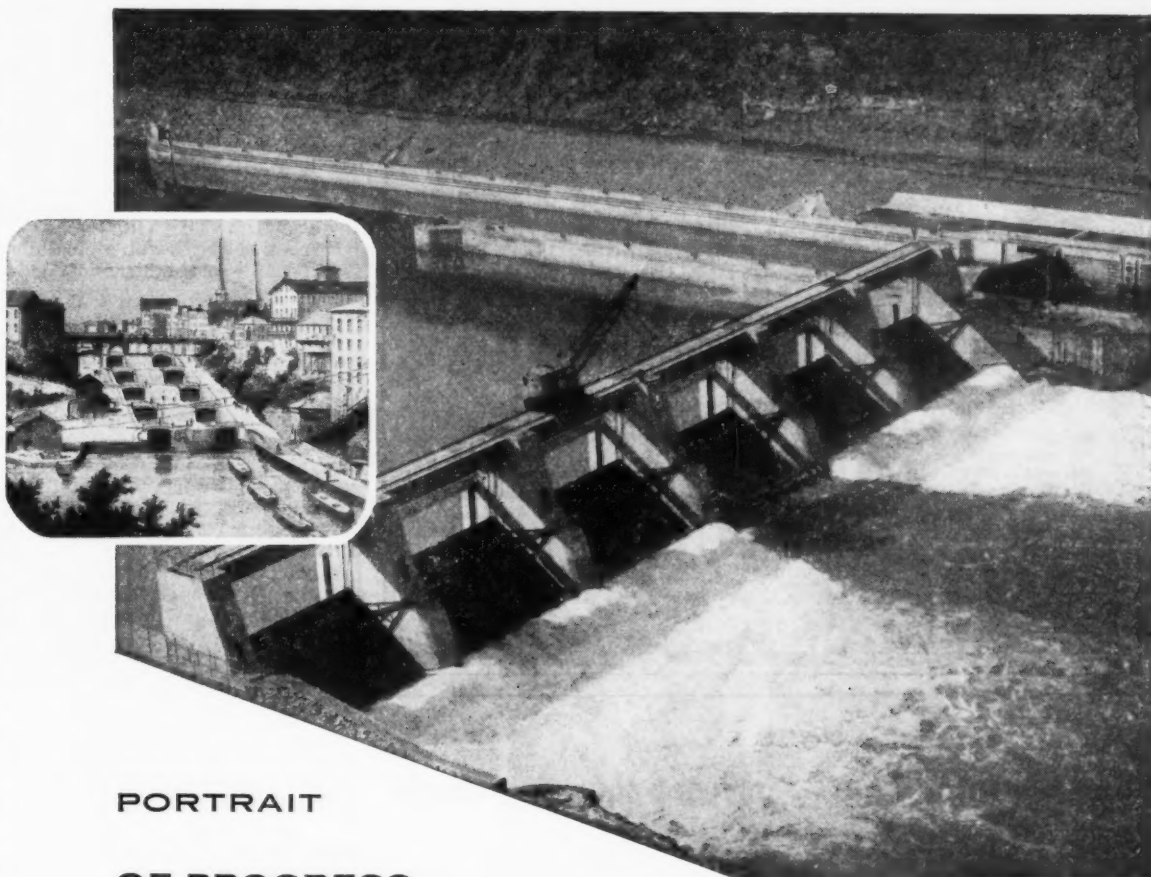
Only about 135 claims remain to be settled in South Carolina as a result of Hurricane Hazel, out of those involving total loss, according to J. E. McDavid, deputy insurance commissioner. Nearly 90% of claims involving partial losses of property along the beaches have been closed out, he said.

Sachs Speaks at Philadelphia

Mariners Club of Philadelphia heard Jerome Sachs, director of the insurance staff of the bureau of foreign commerce of U. S. Department of Commerce, outline the development and purposes of the office as a center of research and information in the field of international business.

Laib Assigned to Duluth

St. Paul F.&M. has assigned Guy R. Laib Jr. to Duluth as assistant to the claims manager.



PORTRAIT
OF PROGRESS

On a cool and brilliant November morning in 1825, an elaborate aquatic procession completed its journey from Albany to the Sea, a keg of lake water was poured into the Atlantic and the cannon at Fort Hamilton announced the official opening of the Erie Canal, first of a long series of internal waterway projects destined to bring the production of our mid-west to the markets of the world.

As the nation's commerce grew and other waterways were developed, Chubb & Son acquired broad experience and knowledge of insurance requirements which enabled it to write increasingly broader coverage. We are proud of our record of "Serving the Leaders" in this field of American Industry and Commerce.

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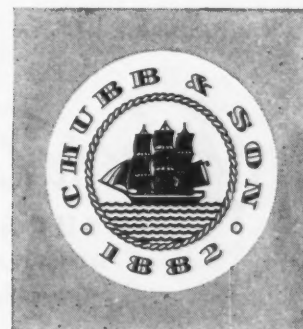
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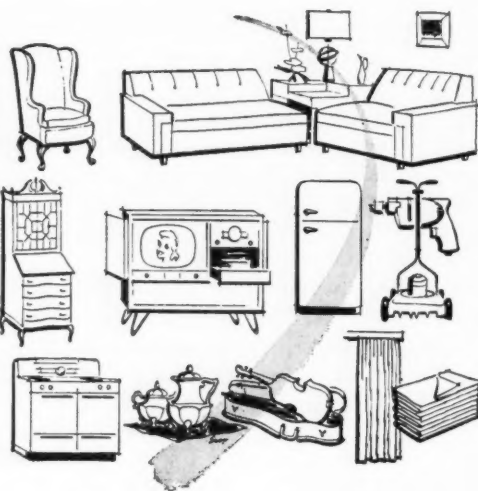


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Davis Tells Need for Insurers To Attract Investors

Insurance executives were urged to institute a progressive and aggressive financial public relations program as a means of attracting investor capital by Shelby Cullom Davis, insurance stock specialist of New York city, at the Pacific Insurance & Surety Conference at Palm Springs, Cal.

Mr. Davis said other industries are taking such action and the insurance business will fail to compete successfully in the capital markets unless it follows suit.

Only 10% of insurance stocks are competing successfully for the investor's dollar in the securities market today. The remainder are selling at discounts from their liquidating or break up values. Half of the nationally traded insurance stocks are available at discounts of 30% and more.

He contrasted this with mutual funds which have sold billions of dollars worth of securities at premiums over liquidating value.

The big buyers of insurance stocks, such as the pension funds, have concentrated upon the stocks having the highest underwriting profit margin, causing the top 10% to sell at an average premium of 15% over liquidating value. Thus, Mr. Davis said, investment opinion has swung full cycle regarding insurance stocks. In the 1920s if a company broke even on underwriting, it was glad to have the premium dollars to put to work in investments. Globe & Rutgers typified this philosophy, and investors followed suit, paying attention to the investment results achieved by insurance company portfolios.

Today the investment results are so badly neglected, Mr. Davis declared, that it is possible to buy well-managed insurance companies at discounts of 10-15% from their common stock-holdings alone, with an added value of 30-40% in bonds and preferreds thrown in for nothing as well as the agency plant and underwriting know-how.

For years it has been stressed that insurance companies are not investment trusts, but the fact should not be overlooked, Mr. Davis said, that insurance companies do have many of the characteristics of investment trusts with their portfolios of high grade common and preferred stocks and bonds. Increasing attention should be paid to the investment results of insurance companies, he opined.

He called for an "open door" policy towards qualified financial analysts representing pension funds, trust companies and financial firms to enable the investing public to become better acquainted with the underlying values in insurance shares. Higher dividends should be paid by insurance companies who foresee the need for more capital in the future so they will be able to finance more advantageously.

Minneapolis-St. Paul Phone Book Ready

The Minneapolis and St. Paul Insurance Telephone Directory has just been published by National Underwriter Co., incorporating the many changes in the Twin City telephone numbering system. Copies may be ordered from National Underwriter Co., 420 East 4th street, Cincinnati. The price is \$1.

While the capital ratios of the insurance companies are stronger than at any time since the war, Mr. Davis called attention to the two major trends confronting the insurance business: Mergers and multiple line operations.

These trends will quicken in the future as competition becomes keener for the premium dollar. Since it is the large which absorb the small and since multiple line underwriting will become more and more necessary, many companies should give consideration to the possibility of strengthening their financial resources. A strong financial position also creates investment flexibility and allows greater investment in common stocks, he said.

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Wholesale Grocery Merchandise Floater Ruled As Not IM

The committee on interpretation has issued two new inland marine rulings. One was that a merchandise floater on a wholesale grocery and beer business is not classifiable as inland marine.

The inquiry, which resulted in interpretation No. 69, dealt with stock, materials and supplies consisting principally of wholesale groceries and beer, including packages for or containing the same, usual to the business of the insured, or held in trust, or on consignment or sold but not delivered or for which insured may be liable while in transit via insured's trucks or while waterborne and while in storage in buildings not owned, wholly leased or operated by insured.

The committee ruled as classifiable as IM, in interpretation No. 68, a proposed policy that would cover telephones, the property of a telephone company under lease to user-subscribers while in transit to or from and while on the premises of such subscriber and would exclude coverage while on the insured's own premises.

Former Pa. Deputy Joins Briscoe Actuarial Company

Oscar A. Kottler, who resigned as deputy commissioner of Pennsylvania March 15, has been named resident manager at Philadelphia of J. Huell Briscoe & Associates, actuaries and consultants.

Mr. Kottler was named deputy commissioner in charge of the bureau of examinations and life actuarial division in 1945, and during his tenure served under four commissioners. He was active in the affairs of National Assn. of Insurance Commissioners and represented Pennsylvania on many of its committees.

Plan Reciprocal in Cal. To Write Labor Union Risks

Union Underwriters Inc. of California has applied to the department for a permit to solicit power of attorney in applications for policies and for a permit for the issuance of surplus notes by Union Insurance Exchange of America. The plan is to organize a reciprocal under the name Union Insurance Exchange of America which would write casualty lines on labor unions and their members. Weinstock, Anderson, Maloney & Chase of San Francisco are counsel for the organizers.

Inland Empire New Owner of Louisiana General Agency

Inland Empire of Salt Lake City has acquired controlling interest in Gulf States Underwriters of Baton Rouge, La. The general agency will operate in Louisiana and Mississippi. It has represented Inland Empire as well as acting as surplus line brokers and general agents for Lloyds of London. George F. Menefee, who is chairman of Gulf States, has released his holdings, and is now chairman of the casualty and surety rating commission of Louisiana.

Mansfield Agencies Reorganized

The Holibaugh-Wolfe agency and the Roby agency of Mansfield have been reorganized and are now sharing the same office. One part of the new organization is known as McFarland, Terman, Roby and the other is the Roby agency. Officers of McFarland, Terman, Roby are Earl McFarland president, Bryan Terman vice-president, and J. R. Roby secretary-treasurer. Mr. Roby and James Krause and

E. J. Canning comprise the Roby agency.

Holibaugh-Wolfe was established in 1924, and the Roby agency in 1934.

Messrs. Krause and Canning are joining the Roby agency, Mr. Krause having been general agent for Ohio State Life at Toledo and Mr. Canning with American Auto at Cincinnati.

91,612 New Shares of Hanover Fire Subscribed

Some 91,612 shares of Hanover Fire capital stock have been subscribed for out of 100,000 shares offered to stockholders on a one for four basis. The shares unsubscribed at the expiration of the offer on April 4 are to be taken up by the underwriting group headed jointly by the First Boston Corp and R. W. Pressprich & Co.

Insurer Warned by Tenn.

Automobile Owners Safety of Kansas City has been publicly warned by Commissioner Northington of Tennessee against doing business in the state. The company is unlicensed in Tennessee. Mr. Northington said the company has been flooding the state with literature soliciting auto accident business.

Manhattan F. & M. Premiums, Surplus Show Gain in 1954

Manhattan F. & M. premiums showed a 3.65% increase in 1954 and policyholders' surplus increased by more than \$460,000 to \$3,280,044, an all-time high, President Walter Meiss reported to stockholders.

Assets increased by approximately \$420,000 to \$7,310,195 at year end. Investment income was \$185,000, which more than offset the underwriting loss.

Mr. Meiss noted the hurricanes "literally blew away all chance of a profit" for the year.

Insured Can't Recover for Teeth Lost in Fire

The loss of a denture inadvertently thrown into a trash fire was not covered by a fire policy because it was a friendly fire, Indiana appellate court ruled in Owen vs Milwaukee Ins. Co. The case is reported in 8CCH (fire and casualty) 595.

Owen was insured against all direct loss by fire to household and personal property. While the policy was in effect, she inadvertently threw her denture into a trash fire on the premises.

Albert F. Owen of Terre Haute, Ind., was counsel for Owen and Crawford & Crawford of Terre Haute for the company.

Andrews Named in Cal.

Commissioner McConnell of California has appointed John N. Andrews assistant chief of the compliance and legal division in the department at San Francisco. He replaces Mervin R. Samuel, who has been promoted to chief of the division. Mr. Andrews has been with the department since 1936, and for the past several years has been in charge of the compliance bill in the compliance and legal division.

Valrance Gets Promotion

American Surety has appointed George H. Valrance superintendent of casualty at Detroit. He joined the company in 1950 as a casualty underwriting trainee and was named a special agent in 1951.

"One month I made over \$4,000!"

Says Clarence E. Wormuth (left) of Detroit, Michigan...
pictured here with Prudential Brokerage Manager Wayne H. McCarty.



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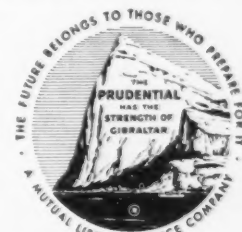
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1875—Protecting the Family—1955

EDITORIAL COMMENT

Not the Contract, but Consideration

Careless and indifferent selling and claim handling have brought far more ill will to the A&S business than all of the restricted contracts and typographical setup of these contracts put together. Even the restricted contract, if it is sold carefully and conscientiously and is followed by prompt and considerate claim handling, does not leave half as bad a taste as the most liberally written contract, printed in the largest type, that is sold without sufficient explanation and with claim handling (not payment) that makes the buyer wonder why he ever succumbed to the salesman's story.

The very nature of A&S insurance calls for some policy restriction. The typographical presentation of the policy contract on paper is not the real source of public irritation. It is the interpretation of the contract by those who sell it and by those who settle it that paints the picture the policyholder gets.

Unquestionably it is true that today most selling has vastly improved over selling a generation ago. The same may be said for claim settlements. However, whereas a generation ago a relatively small proportion of the population had any direct interest in A&S insurance, today the vast majority of the people have an intimate personal interest. Therefore, the kind of picture the public gets from action, not contracts, is far more significant for the business today.

A current source of irritation in the business is the application of mass methods of handling inquiries and claims. When a policyholder has a loss and finds that to generate action he must himself take most of the initiative in getting rapid settlement; when all he receives are form letters showing not the slightest personal interest in the case, form letters handled by clerical help apparently interested chiefly in moving papers across a desk; when reports sent in by the policyholder have not been read or considered; when information furnished once is requested over and over again, when all these things occur the policyholder is not being irked by his A&S contract or by the kind of print used in presenting it. He is irked because in a very personal matter, one in which quick, personal and considerate action is expected, he finds that only his own constant prodding gets a response. It is no doubt true that these cases are the exceptions but when at least one-third of the population may be claimants the exceptions accumulate and create a very serious problem.

The public response to the A&S business is in the hands of people, who make contact with buyers. It is an old but still a true saying that when contracts are substantially equal, the important thing to know is who is doing the selling and who is doing the claim adjusting.

Worst Thing Is Not to Write It

When, a few weeks ago, we first heard that extended coverage on dwellings was finding its way into the surplus market, we were surprised but concluded it likely that the report dealt with an isolated instance or two involving large properties along the eastern seaboard.

However, there is evidence that some insurers that previously wrote dwellings freely, now are attempting to reduce EC liability in coastal areas hit by the hurricanes of 1954. Agents are being asked to cut down on the amount of shore property. The matter is being carried so far as to close out some agents where the volume is not large, but where it is largely sea coast values.

Perhaps more and more insured will have to go into the surplus market and pay a special premium in order to get EC coverage.

An insurer that has done badly on a line certainly has the right to adjust its underwriting in an effort to put itself in a more favorable position. This is only good management. However, it would be unfortunate if the underwriting of EC became so restricted in large areas of the east coast that it became really quite difficult or impossible for insured to continue his protection. Perhaps the situation will not develop to this point, but if it does, we think the business as a whole will suffer very substantial deterioration in its relations with the public.

The companies were severely criticized for putting through rate increases in Massachusetts, Rhode Island and elsewhere so soon after the hurricanes struck and by so large a percentage. Yet if the insurers were entitled to a rate increase of this size, on the basis of experience, which no one

yet has successfully disputed, they were entitled to it as soon as they could get it. A few producers and even some field men, reportedly were anticipating the increases and advising the cancellation and rewriting of coverage.

But having asked for the increases that experience indicated was necessary, and having secured them, it would be unfortunate if the companies to any painful extent expressed their disbelief in their own system of rating and started cutting down on extended coverage writing in any territory affected by the hurricanes and by the rate increases.

Insurance companies invented EC, for years they have pushed it, the volume of business done under it has steadily ballooned, the rates for it in most cases have gone upward—and we think the companies have to live with it, that they have to write it. If something additional has to be done in order to make it palatable to the insurers, such as coastal zones with higher rates, or a larger deductible, it should be done to keep the coverage readily available for customers.

To walk away from it to any large degree at this point, when the going for both insurers and insured has become a little rough, reflects upon the staying powers of the companies and certainly implies they didn't know what they were doing and aren't intelligent or strong enough to correct it. It also implies a disbelief in their own

system.

As a practical matter, those insurers that flee the coastal zone—which has been described in at least one instance as including Vermont—not only are expressing a strong lack of confidence in rating and the writing of the business, which presumably they have established and control, but they also look somewhat foolish. Not all of the shore front property is owned by people who live there and insured by agents nearby but may be owned by someone who lives 100 miles away and be insured there, which makes the steps taken by the insurer ineffective. But how can the underwriter be sure that the business he gives up in one spot and replaces with business from another (which presumably he will try to do) will not be placed directly in the path of the next tornado or the next hurricane? The big windstorm may strike elsewhere next time and that may be exactly the elsewhere the insurer went who left.

Individual insurers must make their own decisions, and those that were hurt must act to prevent a recurrence of the pain, at least to the same degree. But one of the characteristics of wind is that it may strike anywhere, it may even never strike again an area it has struck once. But the insurers, having made EC customers of so many millions of people, cannot abandon the customers or the coverage to any appreciable degree without running into serious consequences.

PERSONALS

William T. Harper, chairman and president of Maryland Casualty, has been nominated for membership on the board of finance commissioners of Baltimore. He would succeed the late E. Asbury Davis, who was president emeritus of U.S.F.&G.

Reuel C. Stratton, assistant superintendent of the engineering and loss control division of Travelers, participated in an atomic energy conference at San Francisco, sponsored by the atomic industrial forum and the Stamford research institute. He discussed the ramifications of atomic energy in insurance.

Dwight O'Keefe Jr., associated with his father in the O'Keefe agency at Springfield, Ill., was defeated in his bid for mayor in the election last week. Mr. O'Keefe lost by 7,000 votes in a 40,000 vote turn-out. Previously he had been head of the city school board.

J. Paul Rutter, vice-president and secretary of American, discussed investment objectives and practice of fire and casualty companies at the in-

stitute of investment banking at the University of Pennsylvania. It was sponsored by the university, Investment Bankers Assn. of America and the Wharton school.

Harold Requartle, president of Farmers Mutual of Lincoln, Neb., has returned with Mrs. Requartle from a month's stay at Hot Springs, Ark. Mr. Requartle is recovering from a stroke he suffered some time ago, but he is not yet able to return to his desk.

Robert L. Lison, special agent of Marine Office of America at St. Louis, is making his first trip through the territory since he was hit by an automobile in St. Louis last November. He is still on crutches. His leg was broken in three places.

Alfred J. Bohlinger, former superintendent of the New York state insurance department, has been named a director of City Title of New York City.

Frank Howard of Howard & Son agency, McMinnville, Tenn., has been elected president of that community's Rotary club.

THE NATIONAL UNDERWRITER

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DEATHS

GEORGE G. MADAN, 70, head of George G. MaDan & Co., Lansing firm specializing in insurance statistical work, died in a hospital there of a heart attack. Mr. MaDan was secretary of the Michigan Farm Excess of Loss Assn., a reinsurance pool of farm mutuals and was attorney-in-fact for Lansing Employers Underwriters, a reciprocal exchange of Lansing forge companies. He also was senior partner of the CPA firm of MaDan & Bailey and a director of Michigan Millers Mutual. Mr. MaDan had assisted the Michigan department with numerous receiverships and reorganizations and several times served as active receiver for the commissioner.

ANDREW G. LANGE, 72, recently elected chairman of Osborn & Lange agency, Chicago, died while dining at Evanston (Ill.) Golf Club. He had been in the insurance business more than 50 years, joining the old Osborn company in 1916 in an executive capacity. The firm was incorporated under its present name in 1923. Mr. Lange instituted branch office operations for the company in the U. S. and Canada and was active in the marine field. He was well known throughout the industry.

JOHN C. DULANY, 91, retired Oklahoma executive state agent of Sun, died after an illness of three weeks. Mr. Dulany's insurance career extended over more than 60 years, and he was active until his retirement the first of this year.

He had always been in the insurance business in Oklahoma, moving to the territory in 1889. He was special agent with German American, then was a local agent before joining Sun in January, 1906. He was a member of the Society of Life Members of Fire Underwriters Assn. of the Northwest.

WILLIAM J. HOLLAND, 57, 2nd vice-president in the central department of James F. Kemper & Co., died. He had been in the business since 1929. Mr. Holland was a graduate of the University of Pennsylvania and was with U. S. F. & G. and Massachusetts Bonding before joining the Kemper organization in 1937.

HENRY I. REIMANN, 75, retired secretary of American Central, died of a heart attack at his home in Salisbury, Mo. He retired in 1931 when the general offices of American Central were moved from St. Louis to New York. He had been with the company for 35 years before that.

A brother, Louis A. Riemann, is with the government at Washington and before that was with American Central as assistant secretary.

WILLIAM C. McWILLIAMS, Springfield F. & M. special agent in Atlanta, was killed in an automobile accident. He had been with the group since 1953. Previously he was with Cowan & Mahone general agency at Atlanta.

WARREN O. BROWN, 70, former comptroller of Michigan Mutual Liability who had retired in 1952, died in Detroit. Mr. Brown started with Michigan Mutual in 1916 as a payroll auditor, advanced to assistant treasurer

and had been comptroller many years prior to his retirement.

ARMIN W. FINGER, 59, president of Adam Finger & Son, Milwaukee agency founded by his father 90 years ago, died in a hospital there after a long illness. Mr. Finger was a director of Old Line Life, Milwaukee Ins. Co. and Concordia of Milwaukee.

JOHN G. PONDER, 23, who was associated with his father, Jack B. Ponder, in the Ponder agency in El Paso, died of a heart ailment.

A. MERLE RUSH, 53, head of the Johnson City, N. Y., agency that bore his name, died there.

GERALD E. SHANK, 43, of the Shank & Co. independent adjustment firm of Wichita, was killed in a 200 foot fall from a grain elevator.

HAROLD B. ERVIN, 52, sales manager of Farm Bureau Mutual at Winston Salem, N. C., for the past five years, died there. He had been with the company 15 years.

PAUL W. GREYER, 79, who operated the Grether & Co. agency of St. Louis, died.

H. H. Sams, Veteran GAB Manager, Is Retiring

Harry H. Sams, general adjuster at Bakersfield, Cal., for General Adjustment Bureau, has retired. He has been in the insurance business since 1911 and for the last 29 years has been with GAB. In 1930, Mr. Sams was assigned to Bakersfield as manager, and held the position until 1953 when he became general adjuster for the area.

Sylvania Promotes Hugel

Robert G. Hugel has been appointed manager of the casualty and fire insurance department of Sylvania Electric. Robert S. Gyory is manager of the insurance department. Mr. Hugel has been with Sylvania in the insurance department since 1953.

American District Tel. Issues Hazard Booklet

American District Telegraph Co. has published an illustrated 36-page booklet, "Protecting Life Property and Profits," for those interested in protection against fire, burglary and other hazards.

The multicolored booklet graphically describes the many ADT central station electric protection services supplied to more than 52,000 subscribers in some 650 municipalities throughout the country. Copies may be obtained by writing to ADT, 115 Sixth avenue, New York, N. Y.

Missouri Caravan to Hit the Road April 19-28

"Knowledge Breeds Confidence; Confidence Means Sales" is the theme for the annual Missouri Caravan, sponsored by Missouri Fire Underwriters Assn., which is scheduled to begin April 19 to run through April 28, with a total of ten Missouri cities to be included.

The schedule for the meetings is: April 19 Chillicothe, April 20 St. Joseph and Cape Girardeau, April 22 Independence, April 26 Jefferson City, April 27 Springfield and Macon, April 28 Joplin and Hannibal.

On the east side of the state the meeting chairmen will be D. J. Kleppman, Aetna Fire, Kennett; John E. Lapierre, Phoenix of Hartford, Cape Girardeau; E. J. Scudder, Kansas City F. & M., Jefferson City; William D. Hunter, Home, Macon, and C. D. McCormack, America Fore, Hannibal. Robert O. Bowden, America Fore; Stanley Shaw, Travelers; Earl Mathis, St. Paul F. & M., and Pat Moore, Western Fire, are to present a review of the new dwelling forms. This year the field of A & H will be covered for the first time, this phase to be handled by Thomas A. Ainley, production superintendent, Aetna Fire, Park Ridge, Ill., and J. A. Cornelius, special representative, Firemen's Fund Indemnity, Minneapolis. Rules and rates will be handled by Willard M. Brown, superintendent of Missouri Audit Bureau,

and Archie Pentland, assistant superintendent.

At the meetings in the western part of Missouri, the subject of agency management and advertising will be handled by Henry Teicher, Phoenix of Hartford; Robert Raisbeck, Home, and Earle J. Smith, North British. New forms, rules and rates has been assigned to Phillip Bevan, Aetna Fire; Lee Taylor, Commercial Union, and Walter Ogren, American.

Aids to customers, such as surveys, engineering helps, and analyses will be presented by William Goldsmith, Travelers; Richard Snyder, Crum & Forster, and Robert Murdock, New Hampshire.

STOCKS

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Aetna Fire	2.40	73	74½
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Agricultural	1.60	35	37
American Equitable	1.70	37½	38½
American Auto	1.20	29½	30½
American (N. J.)	1.20	33½	34½
American Motorists	.24	15	16½
American Surety	3.00	83½	85½
Boston	1.60	42½	Bid
Camden Fire	1.15*	30	31
Continental Casualty	1.40	121	125
Crum & Forster com.	2.00	69½	71
Federal	.80	48½	51
Fire Association	2.20	59	60
Fireman's Fund	1.80	71½	73
Firemen's (N. J.)	1.05	44	45
General Reinsurance	1.80	50	52
Glens Falls	2.00	78	80
Globe & Republic	.90	21½	22½
Great American Fire	1.50	44½	46
Hartford Fire	3.00	166	169
Hanover Fire	2.00	47½	48½
Home (N. Y.)	2.00	48	49
Ins. Co. of No. America	2.50	108½	110
Maryland Casualty	1.40	40½	41½
Mass. Bonding	1.50*	42½	44
National Casualty	1.50*	37	Bid
National Fire	3.00	95	98
National Union	2.00	43½	50
New Amsterdam Cas.	1.80	56	58
New Hampshire	2.00	52½	54½
North River	1.40	37½	39
Ohio Casualty	1.80*	83	Bid
Phoenix Conn.	3.40	87½	89½
Prov. Wash.	1.00	28½	29½
St. Paul F. & M.	1.10	60	62
Security, Conn.	1.80	48	50
Springfield F. & M.	2.00	60	62
Standard Accident	1.80	81	83
Travelers	19.00*	2130	2150
U. S. F. & G.	2.00	75	77
U. S. Fire	1.80	54½	Bid

*Includes Extras.

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Wallace Moving to N. Y. for Chubb & Son

Robert E. Wallace, a partner in Chubb & Son who has been in charge of the Pacific department since its organization in 1948, is moving to New York in June to take charge of the group's nation-wide branch office ac-

tivities. He will be succeeded in the Pacific department by Cecil O. West, who has been deputy manager. Mr. West will also become a regional vice-president of Federal.

He has been in the business for about 25 years, all of which has been spent in the Pacific coast area.

Avery, McKee Get New Posts with U. S. F. & G.

U. S. F. & G. has named George F. Avery manager at New York, succeeding Walter J. Jeffery, and Wayne McKee Jr. manager at Pittsburgh, succeeding Mr. Avery. Mr. Jeffery was transferred to the home office after being elected an executive vice-president in March.

Mr. Avery joined the company in 1922 at Syracuse and served successively as a casualty underwriter, assistant casualty superintendent and special agent before transferring to Pittsburgh, where he was named assistant manager in 1938 and manager in 1949.

Mr. McKee joined the company as a claim adjuster at Pittsburgh in 1936, later becoming a special agent. He transferred to the agency development department at Baltimore in 1950 as field assistant, returning to Pittsburgh in 1951 as assistant manager.

Martin Says New Forms Not Hard to Understand

LOS ANGELES—John Henry Martin of Standard Forms Bureau told members of Southern California Fire Underwriters Assn. they should be able to answer any question by agents respecting the new forms now available. He declared that with the new forms the matter of definitions should not hold the spotlight, as formerly, as the forms set forth clearly just what coverage they give.

Pond, Meyer Advanced by Phoenix, Conn.

Phoenix of Hartford group has named Harvey C. Pond agency superintendent of the southern department at Atlanta, succeeding Richard C. Maercklein, who has retired, and Louis P. Meyer agency superintendent of the western fire underwriting department, Chicago. Mr. Pond has been with the group since 1940 and Mr. Meyer since 1920. The latter has been an examiner and assistant agency superintendent.

Security-Conn. Names Falk to Claims Post

Arthur V. Falk has been named claims manager at Cleveland for Security-Connecticut. He entered insurance in 1950 as a claims adjuster for Aetna Casualty in the Ohio territory.

Babaco Salutes Mariners

The 20th anniversary of the founding of inland marine insurance Mariners Clubs has been marked with publication of a special issue of *Babaco News* as a tribute to the clubs, by Babaco Alarm Systems. Active clubs are reported in the review, giving their organization date, original membership and a summary of the activities.

Kill Adverse Alaska Bills

The Alaska legislature has defeated bills to increase workmen's compensation benefits and to set up a monopolistic territorial accident fund. Both measures were opposed by employers as well as Alaska Assn. of Insurance Agents who were represented by Robert D. Williams, Seattle attorney.

IBM 705 Explained


Graham Clark, special representative in electronic data processing machines of International Business Machines Corp., explained the principles, organization, characteristics and operating features of the IBM 705 at the school of insurance of Insurance Society of New York. He spoke to fire and casualty men at the weekly meeting of

the course on application of electronics to office systems.

He discussed a simplified stored program to illustrate internal operation of the 705, and told how internal checking features work in actual applications.

P. M. Park vice-president of the Besser Co. of Alpena, Mich., has been elected a director of Michigan Mutual Liability.

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First IBM Transistor Calculator Introduced

International Business Machines Corp. has made available for commercial use the first electronic calculator operating completely on transistors instead of vacuum tubes.

Known as the 608, it inaugurates the transition of IBM's line of small and intermediate electronic calculators from vacuum tube to transistor operation. The transistors, tiny germanium devices, and minute magnetic cores, which make up the machine's internal storage, are used together for the first known time in the 608.

The new calculator represents a one-half reduction in computer unit size and a 90% reduction in power requirements over a vacuum tube model because of the transistors. The transistors also reduce heat in the same proportion as power consumption and have long operating lives. The magnetic cores are stable and will last indefinitely.

The 608 will handle problems of greater size and complexity than will types 604 and 607. Payroll preparation, actuarial analysis and inventory accounting are among the machine's applications. It can perform 4,500 additions a second and can multiply two nine-digit numbers and produce the 18-digit product in 11 one-thousandths of a second.

The calculating punch unit, used for input and output, will permit cards to be calculated and the results punched while they are passing through the machine at the rate of 155 a minute. This is a 50% greater card output than now available in the 607.

Programming is handled by a flexibly wired control panel similar to those found in other IBM machines now in use. Up to 80 program steps form the basis of the machine's "logical" ability.

Give Up in R. I. Auto Dealer Bill

Spokesmen for Rhode Island Assn. of Insurance Agents told the house corporations committee that they have given up hope of getting the state legislature to pass a law forbidding automobile dealers to write insurance on cars they sell.

But they said they are willing to accept H847 and H848 which would deny licenses to brokers and agents, 50% or more of whose commissions are received in writing up property owned or controlled by them or their employers—excepting auto dealers.

The insurance men said they lack the power to fight the "automobile lobby" and the influence of car dealers who are members of the assembly. Carleton I. Fisher of Providence was one of those who appeared for the agents.

Beling Brooklyn Speaker

Brooklyn Insurance Brokers Assn. will hear Oscar Beling, manager of national agency systems department of Royal-Liverpool, discuss the positive approach to meeting competition at a meeting April 14.

John H. Murphy Jr., has become associated with his father who heads the insurance operations of John A. Moran & Son, Norwich, Conn., real estate and insurance agency.

New officers of Washington County (R. I.) Board at Westerly are Rogers E. Trainer, president, Herbert W. Rathbun, vice-president, and Francis C. Lathrop Jr., secretary.

PEPPY FREDDY, the fieldman, says:

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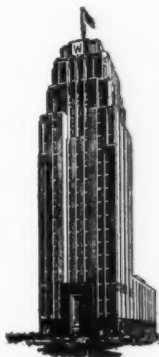
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ACCIDENT AND HEALTH

Insurance Accounts for 7% of Health Services in Schools

Findings of the American College Health Assn. survey of health services in American colleges and universities in 1953 reveal that such services are financed by insurance in only 7%, or 65, of 957 educational institutions. The percentage figure does not include voluntary or supplementary plans. Continental Casualty assumed the full cost of survey field work as a public service and provided a grant for survey administration and publication of a report on the findings.

Of 228 northeast schools surveyed, 28, or 12%, reported the principal source of income for health services came from health insurance payments. Other sources of income for health services and their percentages reported by the other northeast schools were: special health fee, 28%; tuition fees or general college funds, 57%; payment by the visit or by service performed, 3%.

In the central region 300 schools were surveyed, with 6%, or 18, indicating health insurance payments were the principal source of income for health services. Other percentages were: special health fee, 29%; tuition fees or general college funds, 60%, and payments by the visit or by service performed, 5%.

Insurance payments accounted for 4% of the income for health services in 277 schools surveyed in the south. Ten reported such income. Other figures: special health fee, 37%; tuition fees or general college funds, 55%; payment by the visit or by service performed, 3%, and no date data available, 1%.

Figures for institutions of higher learning in the west show that of 152 schools surveyed, nine, or 6%, reported insurance payments as a source of health services income. Other sources were: special health fee, 19%; tuition fees or general college funds,

70%; payments by the visit or by service performed, 1%; no data available, 4%.

Breaking down the total surveyed, the findings show 7% of 488 urban colleges and universities, 7% of 362 in small cities and 5% of 107 in rural communities reported health insurance payments as principle source of income for health services.

Combined Employes Take Part in Chicago Elections

A number of employes of Combined of Chicago acted as poll watchers during the mayoralty election recently. Workers were given time off with pay to perform this service.

During the 1952 and 1954 general elections employes' won "Get-out-the-vote" contests over employes of Washington National of Evanston, Ill. About 94% of eligible voters employed by Combined turned out for the 1954 election.

The workers held a similar intra-company contest during the last election, and speakers at employee meetings explained the use of balloting machines and other phases of election procedure.

A&H Problems on Agenda at Educational Seminar

New coverage experiments and problems confronting the A&H business will be among the topics discussed at the educational seminar of Bureau of A&H Underwriters May 24-25 at the Biltmore hotel, New York City.

Also on the program will be discussions on insurance for persons in the older age brackets; greater extension of coverage to the rural population; risk selection problems; pre-existing conditions and modified forms of cancellable and non-cancellable insurance.

Such experiments as deductible hospital expense and major medical expense insurance will be explained.

Chicago Directory Printed

Chicago A&H Assn. has gotten out its directory for 1954-1955. In it are listed the officers, all the members, together

with their company affiliations and addresses, and the constitution of the association.

First 'Run' of New DITC to Last Through June 9

The first "run" of the International Assn. of A&H Underwriters new Disability Insurance Training Council course is being sponsored April 7-June 9 at Butler University, Indianapolis, by the Indianapolis A & H association under direction of Walter Dotterweick, head of the insurance curriculum at the school.

Following the pattern evolved by the new Disability Insurance Training Council from 3½ years of experience with the old DISC, the Butler school will meet one night a week, two hours a night, for 10 weeks. Instructor will be William Highfield of R & R. In 1953, Indianapolis was the first association to run a DISC school on a 10-week basis under joint sponsorship with Indianapolis Life Underwriters Assn.

DITC is being set up as a separate corporation by IAAHU and will have its own, full-time director. John Galloway, Provident L. & A., Birmingham, former IAAHU president, is interim director of DITC.

The University of Richmond, Richmond, Va., has announced a DISC school for April 18-20, sponsored by the Richmond association.

Mutual Benefit H.&A. Names Six in Sales Division

Six promotions have been made in the sales division of Mutual Benefit H. & A. Charles Boiler has been named administrative assistant to the vice-president; Jack Taylor director of sales methods; Marvin Hoth marketing director; Jerry Greguska education director; Rex Linkous director of field operations, and William Toohey assistant director of field operations.

Mr. Boiler has been in the sales division two years and has instructed in training schools. Mr. Taylor, who had been associate manager at Lincoln, Neb., joined the division, last August. With the company since 1948. Mr. Hoth was transferred to the sales division in 1953. Mr. Greguska, who is largely responsible for revised curricula used in field training schools, has been with the division for three years.

Mr. Linkous, with the division since 1953, has been southern regional director, and Mr. Toohey, who joined the company in 1949, has been specializing in field training at Great Falls, Mont.

Governor Anderson Speaks at Neb. A & H Sales Meet

Speakers at the spring sales conference of Nebraska A&H Underwriters Assn., held at Lincoln, were Governor Anderson; Director Pansing of Nebraska; Howard Dewey, director of the training school of Mutual Benefit H. & A.; R. L. McMillion of Business Men's Assurance, and Clifford E. McDonald of Dallas.

Pa. Blue Cross Hikes Rates

Capital Hospital Service, the Blue Cross organization in Harrisburg, Pa., is adjusting its rates to meet the increased cost of hospital care, effective June 1. Under the comprehensive contract the monthly rates will then range from \$1.90 to \$5.10, depending on whether the person is single or has a family and is in a group or non-group plan. Under the cooperative contract the member will pay \$2.50 instead of \$2 a day for the first 20 days of hospital care, but there will be no monthly rate changes. Other changes are being made in maternity benefits, laboratory fees and X-ray examinations.

All H&A Conference Companies OK Ad Code

All member companies of H&A Underwriters Conference now have agreed to use the code of advertising ethics adopted at the annual meeting of the conference last May. The companies are asked to review their advertising using the code as a guide, and a conference staff offers advice to companies submitting sample material.

About 15,000 copies of the code have already been distributed. American Medical Assn. has publicized it and the trade press and Scripps-Howard newspapers have commented favorably on it.

The advertising phase of conference activities is headed by Paul W. Watt, president of Washington National.

McKee Discusses Selling at Los Angeles A&H Meet

Walter McKee, Connecticut General Life general agent, discussed the use of motivation in selling at a meeting of Los Angeles A&H Producers Assn. "Motivation identifies the problem to the man," he said, "and shows him that we have the solution to his problem."

Pointing out that the family is the greatest business in America, Mr. McKee described the service being performed by A&H coverage to maintain family income when the wage earner is disabled. He recommended the personal approach, rather than one based on statistics, when trying to make a sale.

Continental Casualty Shifts Wise to Denver

Charles L. Wise, manager of the commercial division of the A&H department of Continental Casualty at Los Angeles, has been promoted to A&H manager at Denver. The Denver office is new and is scheduled to open in a few days.

Mr. Wise is president of California Assn. of A&H Managers Clubs and president of Los Angeles A&H Managers Club. He is succeeded with Continental Casualty at Los Angeles by George Elliott, who has been San Diego manager.

Indiana A & H Agents Plan First Convention May 7

Indiana Assn. of A & H Underwriters, founded only a year ago, will hold its first annual meeting at Indianapolis May 7. Following the morning business session a joint luncheon will be held with the Indianapolis A & H association. Speaker will be Sigurd Stotttrup, Mutual Benefit H. & A., Fort Wayne.

New Conference Member

Central Standard Indemnity of Chicago has been elected a member of H&A Underwriters Conference.

Doherty Lansing Speaker

LANSING—John Doherty, Lansing manager of Retail Credit Co., addressed Central Michigan A&H Underwriters Assn. here on insurance and claim investigating. The group also heard a discussion of bills affecting insurance now before the state legislature.

Blue Cross Bleats at Tax Threat

Two Blue Cross associations opposed a bill that would place such groups under the same tax schedule as private insurers at a hearing before the North Carolina joint legislature finance committee.

The senate insurance committee has favorably reported a bill authorizing the insurance commissioner to hire two field investigators to probe claim

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controversies arising from A&H and hospitalization policies.

N. Y. Committee to Study Health Cover

The New York legislature has created a joint legislative committee to study the present extent of voluntary A&H coverage in the state and to recommend ways and means of extending such coverage to more persons.

The study will include determining the number of people not covered, or not adequately covered, by A&H and their distribution by occupational groups and places of residence, the extent of coverage by voluntary plans and by plans provided by government or industry, and the extent of coverage of particular illnesses and disabilities.

The committee, to be composed of three senators and three assemblymen, was given \$35,000 and may meet in or out of the state to take testimony and hold hearings.

It is to report its findings by next March 1 and submit legislative proposals to put into effect its recommendations.

Stone Predicts Combined Group Will Double Premium Volume in 1955

W. Clement Stone, president of the Combined group, in his report on 1954 operations predicted that the \$12.3 million premium volume of last year will be nearly doubled this year.

Combined group had record sales last year both as to premiums and new policies, and reached a new high in surplus. The group is composed of Combined of Chicago, Hearthstone of Boston, Combined American of Dallas and First National Casualty of Fond du Lac, Wis. One or more of the companies are now licensed in every state and District of Columbia. Combined had an increase in written premiums last year of \$93,300, Combined American gained \$138,000, Hearthstone \$371,000 and First National Casualty \$67,000, a total of \$669,000. The group closed the year with an aggregate surplus of \$2,692,900.

Beasley Named Director of Agencies for Pioneer

Walton M. Beasley Jr. has been named director of agencies of Pioneer group of Rockford, Ill. Mr. Beasley, a veteran of both the second world war and Korean war and a graduate of the University of Alabama school of law, has been with Continental Casualty in charge of disability and commercial divisions for the southeastern and mid-western territories. Pioneer group companies include George Rogers Clark, Pioneer Life and Personal Indemnity.

Illinois Mutual Casualty Has Good Year in 1954

Illinois Mutual Casualty in 1954 had net premiums written of more than \$3,000,000 and admitted assets were increased to \$2,034,313 and surplus to \$863,195. The company is now licensed for A&H and hospital lines in Illinois, Colorado, Indiana, Iowa, Florida, Michigan, Minnesota, Missouri, Ohio, Wisconsin and Arizona.

Cal. Bill on Powers of Commissioner Is Studied

LOS ANGELES—A bill introduced in the California legislature by Sen. Grunsky to add a new section to the California insurance code relating to the powers of the commissioner in respect to taking action against insurers has been receiving considerable publicity in the daily press. The senate committee on financial institutions had a

hearing on the proposed measure last week, but action was not taken because Sen. Grunsky wanted further time to study the bill and consider amending it.

Commissioner McConnell of California attended the hearing, and told the committee he understood the bill was "to specify standards of due process of law and that I also believe in due process of law; if and when a bill is amended and reintroduced I will study it with the aid of my staff of attorneys."

D. C. Non-Occupational Disability Bill Opposed

WASHINGTON—The department of labor has prepared a non-occupational disability bill for the District of Columbia that would give workers injured off the job maximum weekly benefits of \$30 for 26 weeks.

At a hearing before the district commissioners, the board of trade opposed the measure, which is also receiving opposition from the insurance business.

Ohio Senate Passes Bill to Strengthen A&H Laws

The Ohio senate has passed a bill to strengthen insurance laws pertaining to A&H. The bill would give the superin-

tendent the right to fine an insurance man for issuing any A&H policy on a form not approved by the department, or for violation of other laws dealing with A&H. The fine would range from \$100 to \$1,000 against insurers and \$25 to \$200 against agents, solicitors or brokers. The superintendent would also have the right to suspend licenses.

There are some questions as to the legality of the measure, and it is expected that there will be amendments in the house.

Strike Keeps Railroad Group Plan in News

LOUISVILLE—Going into its fifth week, the strike of both operative and non-operative workers of Louisville & Nashville railroad and its subsidiaries is considered the longest and largest in which the matter of welfare and employee insurance has played a significant role.

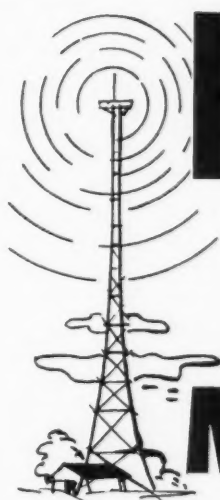
The road has made some progress in restoring freight shipments. Strikers, according to reports, are resorting to manhandling reporting workers and to property damage. Many thousands of workers employed by industries on the lines are the chief sufferers, especially coal companies and their workers.

The L.&N. has refused to install the giant railroad group plan underwritten by Travelers and covering some 500,000 employees. Most principal roads have agreed to the plan.

In an open letter to the President and Congress run as a full page newspaper advertisement, a committee of L.&N. clerks claims the majority of non-operating L.&N. employees does not want to be "forced to contribute to a health and welfare plan which costs each worker \$1.55 more a month than an equally beneficial plan available on a voluntary basis." The ad states "union officials want to force us to contribute to a plan costing more than a voluntary plan offered by L.&N."

Under the union plan underwritten by Travelers the railroads contribute \$3.40 monthly per employee, with an equal employee contribution. The ad notes that of the total, 85 cents would go to a special account, "the purpose of which has never been made clear. We presume it is for some purpose wanted by the union officials."

The L.&N. insurance plan was turned down by union officials. The union contends insurance is a minor strike issue.



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Agents' Group Not Subject to N. C. Business Tax

(CONTINUED FROM PAGE 9)

North Carolina or "insurance of any kind which is placed by an agency or department of the state."

The charter also stipulates that commissions on the state business should be devoted first to the payment of expenses of such operations by the cor-

poration. Next the moneys should be applied for the accomplishment of the purposes of the association. Listed under this category are promotion of education in insurance matters and fire prevention, accident prevention and highway safety.

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CONVENTION BOUND



TED D. BROWN, right, general manager, Brown Brothers Adjusters, San Francisco, and RANDY F. HOWORTH, left, general manager of the firm for Southern California, with headquarters at Los Angeles, will be "among those present" at the 18th Annual Convention of the National Association of Independent Insurance Adjusters, April 21-23 at Chicago.

BROWN BROTHERS ADJUSTERS have long held membership in and given active support to both the National and California associations of independent insurance adjusters. Business practices that are ethical, qualification standards that are higher, greater knowledge and responsible action have all resulted from the efforts of these organizations, and as such, they have been of distinct benefit to our profession and the insurance industry. We salute NAIA—and extend our best wishes for another successful convention!



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offer you 700 years adjusting experience
from 22 offices in California and Nevada

"No part of such fees or commissions," the charter states, "shall be distributed to the members of this corporation or shall be used for the financial benefit of the members of this corporation."

In June, 1954, the national association advised its members that associations engaged in writing public insurance business were generally tax exempt. However, with regard to the so-called supplement U tax on unrelated business income of tax exempt organizations, some doubt was expressed that the public business activity would be regarded as related to the objects and purposes of agent associations. At that time internal revenue service opinion was that it might still be an unrelated form of business operation. To overcome this possible obstacle emphasis was placed on certain exceptions in the definition of "unrelated trade or business" in the tax laws, which have also been used to excellent advantage.

When Sherman G. Otstot, executive secretary of the North Carolina association, requested an exemption for his association last September he pointed out that at the time the commissioner of insurance placed state business with the association it was advised by him that none of the commission after expense could inure to the benefit of any individual member of the association, either by reduction of dues or otherwise. The association further was instructed to use the commission for educational purposes, fire prevention, accident prevention and other activities which would be for the general benefit of North Carolina citizens. In addition, the association agreed, following a request by the commissioner, to pay a portion of the commission to the North Carolina Assn. of Mutual Insurance Agents.

Mr. Otstot also emphasized that it is the belief of his association that writing insurance for North Carolina serves to improve the standards of the business and, in addition, it gives the state better protection, broader coverage and service which the state requires.

Louie E. Woodbury Jr., Wilmington, member of the NAIA executive committee and state national director of the North Carolina association, following this tax ruling, thanked John F. Neville, NAIA executive secretary-general counsel and George S. Hanson, associate counsel, for their aid and counsel in the tax matter. He said this is further proof of the effective help which the New York office can give state associations if they ask for it.

The tax story is carried in detail in the April issue of *The American Agency Bulletin*.

Earl Sweet Made Minn. Special for Crum & Forster

Crum & Forster has appointed Earl Sweet special agent in Minnesota with headquarters at Minneapolis.

Mr. Sweet formerly was eastern Missouri state agent for New York Underwriters. He joined that company at St. Louis after naval service and later traveled both in Illinois and Missouri.

Rounding out the Minnesota field staff are William L. Holm, state agent, and Kenneth E. Hawkins, special agent.

Baldwin Adjusting Co. of Riverside, Cal. has opened a branch office at Santa Ana with Arthur C. Winterbotham in charge.

Gibbons Tells of Overseas Construction

The hazards of American contractors working on construction projects abroad and the varying conditions applicable to foreign construction were described by James E. Gibbons, vice-president of the American Surety, at the April meeting of Surety Underwriters Assn. of New York City.

Over 40,000 miles were covered by Mr. and Mrs. Gibbons on a seven-week round-the-world flight last fall, when they visited Australia, New Zealand, the Malay States, China, Thailand, India, Turkey, Greece and Great Britain.

With a few exceptions, contractors are doing well in coping with foreign conditions and hazards, he said. The old method of day labor is being succeeded wherever practical by the contract method, and American construction techniques have been largely instrumental in revolutionizing foreign construction concepts and practices.

Mr. Gibbons was introduced by Fred J. Kehrl of Hartford Accident, president of the association.

Mutual Group Maps Coercion Strategy

The joint committee on anti-coercion of the American Mutual Alliance and the National Assn. of Mutual Insurance Agents met at Washington D. C. to review progress to date in the nationwide fight against insurance coercion by lending institutions and to confer with officials of the Anti-trust Division, U. S. Department of Justice.

It was indicated that further moves against practitioners of coercion have been prepared, and positive action is imminent.

Representing the mutual agents organization on the committee are: Harry Kinney, chairman, of Houston, Benjamin Sager of Cleveland, Harry Uhler of Baltimore, and Philip L. Baldwin of Washington, executive secretary. Representing the American Mutual Alliance: John Hamilton, general counsel of the alliance; Chase Smith, general counsel of Lumbermens Mutual Casualty, and Frank Marryott, general counsel of Liberty Mutual.

Insurer Loses WC Issue

ST. PAUL—A \$10,000 workmen's compensation award against Employers Mutual Liability of Wausau, Wis., has been upheld in the Minnesota supreme court. The question involves whether an upholsterer employed by the Buckingham hotel of Minneapolis died of a coronary thrombosis occasioned by exertion. The award was in favor of the widow.

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"Guide" Status for Marine Definition in O.

COLUMBUS—The Ohio department will be "guided" by the 1953 uniform definition of marine insurance and its interpretations in determining whether a particular risk is a proper subject of inland marine insurance.

This apparently does not amount to a formal adoption of the definition, but rather makes it a guide, probably on a temporary basis pending the outcome of legislative proposals to regulate the inland marine field. Ohio never adopted either the present definition or its 1933 predecessor.

The Ohio department had sponsored a bill which would put inland marine insurance under the fire rating law on the same basis as fire insurance, by eliminating the present exception from filing requirements of inland marine risks which by general custom are not written according to manual rates or rating plans. There has been considerable activity in commercial block and other package property policies in Ohio and complaints that some contracts have been written at an inland marine rate lower than the published fire rate. Recently August Pryatel, deputy superintendent, asked the senate insurance committee to defer action on the bill and refer it to a subcommittee, pending investigation of insurance sentiment and other suggestions for correction of this situation.

Fire Policy Revision, WC Changes Move in Minn.

ST. PAUL—The revision of the Minnesota standard fire policy has been recommended by both the house and senate insurance committees, and chances for passage appear to be good. The bill would make the Minnesota policy conform more closely to the New York form.

With less than a week of the session remaining, the proposal of Gov. Freeman to reorganize the executive branch of the government is still in the mill. Among the proposals is one to abolish the insurance department as a separate unit and make it a subsidiary of a new department of commerce.

The attempt to remove the \$17,500 limit for wrongful death has been killed, and it is thought the increase in maximum benefits for workmen's compensation will not go above \$40 and may be held to \$38. The original plan was to increase the present maximum of \$35 to \$45.

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1926

our 29th year

1955

Liberty Mutual 1954 Premiums off \$8.7 Million, Mostly WC

Liberty Mutual in 1954 had written premiums of \$229,038,620, an \$8,778,712 decrease. The big decline was \$10,300,000 in workmen's compensation, on which premiums were \$107,881,546, due to lower policyholder payrolls during most of the year.

However, automobile showed a decline of about \$100,000, to \$69,837,212, and A&H more than \$500,000, to \$20,721,258. General liability increased more than \$1 million, to \$26,041,539, and other lines showed a gain of about \$100,000 to \$4,186,627.

The loss ratio, incurred to earned, was 59.4 compared with 63.2 in 1953 and 65.5 in 1952, which, the company stated, reflected extensive loss prevention work.

Net income after dividends was \$11,055,586, including investment income of \$7,799,347. Unrealized appreciation in stocks amounted to \$5,687,189. A total of \$17,055,261 compared with \$6,319,281 in 1953 was added to special reserves and policyholders surplus, which latter stood at \$69,591,847 at year end.

Ohio ML Bill Incorporates Rule-Making Power for Agent Licensing

The multiple line bill as recommended by the Ohio house insurance committee contains a grandfather clause permitting agents who have been licensed for 10 years or more for fire or casualty only to continue as agents for their companies if the insurer goes multiple line. There is also a provision giving the superintendent of insurance rule-making powers as to licensing of agents. This provision does not give the superintendent the power to regulate the administration of the bill, although this is the understanding that many persons have. There was an attempt to have an amendment inserted providing for rate making regulations for combined fire and casualty policies, but this was unsuccessful.

Spicer, Dore Elected V-Ps of Ill. Appleton & Cox

Illinois Appleton & Cox has elected Russell W. Spicer and James F. Dore

as vice-presidents. In addition Mr. Spicer has been elected a director.

Mr. Spicer started with Appleton & Cox at New York in 1947 after 10 years with Travelers at Montreal, Albany and New York. In 1948 he moved to Chicago as manager of the surplus lines department, later becoming manager of Illinois Appleton & Cox, Inc.

Mr. Dore has been with Illinois Appleton & Cox for four years and before that was with Aetna Casualty and Newhouse & Hawley.

Agenda Set for Boston Brokers Meeting

BOSTON—The annual "all day long meeting" of Insurance Brokers Assn. of Massachusetts will be held at Hotel Somerset here April 26.

M. H. Saval, Boston surplus lines broker, will discuss placing and handling sub-standard risks; W. J. Bradford Jr., Chubb & Son, yacht insurance; H. J. Griswold, Boston CPA, the tax law and its importance to brokers; R. A. Winslow, general counsel Boston, legal liability insurance; Gardner Brown manager Atlantic Mutual, multiple line contracts; R. M. Morison, Boston attorney, insurance problems of atomic energy, and Robert Lawless, agency management service superintendent Phoenix of Hartford, legal agreements and profit sharing plans for insurance offices. W. H. Gove will give an inspirational talk, "You Make the Difference," at the luncheon.

Would Take Insurance Regulation from FTC

WASHINGTON—The Hoover commission has proposed that an administrative court be set up to deprive the federal trade commission and other federal agencies of jurisdiction over regulation of interstate commerce in many fields, including insurance where FTC claims jurisdiction.

8-Point for N. C. EC

The North Carolina legislature has passed a measure which is now law, requiring fire policies to be printed in 8-point type. Sen. Yow initially asked for 10-point but compromised on eight. He indicated the bill was prompted by some complaints about fine print in the policy from coastal areas hit by Hurricane Hazel. The law thus is actually aimed at the extended coverage endorsement, which is part of the fire policy in most jurisdictions.

Government Aid Asked in Getting Coverage for Reactor Plants

WASHINGTON—Four utility groups making proposals to the atomic energy commission under its power demonstration reactor program have asked for government help in obtaining insurance coverage.

Nuclear Power Corp., made up of several companies, asked the federal government to assume public liability and property damage in excess of \$500,000 unless insurance is available at a reasonable cost. It proposes a boiling water reactor plant project.

Yankee Atomic Electric Co. of Boston proposes to build a light water moderator and cooled reactor plant, contingent upon adequate insurance being available at a cost not substantially greater than \$150,000 per year. Another group headed by Central Hudson Gas & Electric Corp. of Poughkeepsie, N. Y., proposes a fast breeder reactor plant but stipulates that there must be reasonable assurance that adequate insurance will be available.

Consumers Public Power District of Columbus, Neb., which proposes a sodium graphite reactor plant, would require the government to provide insurance coverage beyond those amounts which insurance companies will assume at reasonable cost.

\$750,000 Fire Loss in Va.

Eighteen buildings, 75% of the business district of Bowling Green Va., were destroyed by fire causing an estimated loss of \$750,000. Firemen from as far as 60 miles away battled the wind-whipped blaze which occurred 55 years to the day after a similar fire almost destroyed the town.

The fire started in an old barn and spread to deserted building and then into the business district.

Galveston, Marshall Groups Elect Officers

Two local Texas groups have elected the following officers:

Galveston Insurance Board—E. W. Hildebrand, president; Miles K. Burton, vice-president, and E. Lawrence Dorsey, secretary.

Marshall Fire Insurance Exchange—Price Littlejohn, president; Earl Rhodes Jr., vice-president, and Miss Eva Lancaster, secretary.

P. J. Glover Joins Grant General Agency of Denver

P. J. Glover, who has been vice-president of E. W. Shaw Co. general agency of Denver, has joined the Grant general agency there as vice-president. The Grant agency recently was appointed general agents in the mountain field for four companies.

Two Named in Calif.

Thomas W. Norton has been appointed assistant to the chief of the compliance and legal division of the California department, and Edward J. Germann has been named associate counsel in the same division. Both will continue to function in the Los Angeles office.

Revise Wash. Unauthorized Opinion

The Washington public service commission has been advised by the attorney general that, contrary to a previous opinion, motor vehicle policies issued by non-admitted insurers in compliance with the surplus line law of the state meet the filing requirements of the commission. The commission, acting on an opinion delivered

several years ago by the attorney general's office, recently refused to accept policies of unauthorized insurers other than Lloyd's.

The latest opinion written by assistant attorney general Robert L. Simpson concludes "that an insurance contract approved as surplus line coverage must be given recognition in all matters as like contracts issued by authorized insurers, and accordingly such contracts would meet the requirements of the public service laws."

Ala. Tax up Half Point for Insurers

The campaign of Gov. Folsom of Alabama to increase the premium tax on insurers to 5% has been compromised and the tax will be increased from 2½% to 3% for life and casualty companies. However, the tax will be graded, depending on investments of the insurer in Alabama enterprises. The ceiling on the fire insurer premium tax will now be 2½%, compared with 1½% plus four-tenths of 1% fire marshal tax. Consequently the fire insurer tax will increase slightly less than half a point.

Domestic company premiums will be taxed at a rate of one-half of 1%.

Debate Auto Dealer Bill

A bill introduced in the Connecticut assembly that would prohibit automobile dealers from writing insurance on cars they sell resulted in a clash between representatives of agents and auto dealers when it was heard by the legislative insurance committee.

Sen. Bonaquisto of Hartford, committee chairman and an agent, read into the record many telegrams favoring the measure, a move that was opposed by Sen. Amenta of New Britain, an automobile salesman. However, the chairman ignored the objection and

Underwriters Names Newell

George C. Newell Co. general agency of Seattle has been appointed general agents for Washington by Underwriters of Chicago, the latest company to enter the participating fire field in the state. Underwriters will write only fire lines.

Del. Exam Bill Moves

A bill that would require examinations for prospective insurance agents and broker has been passed by the Delaware house.

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La. Commission Publishes Excess Liability Forms

Louisiana Insurance Rating Commission has promulgated standard forms for use in writing excess liability coverage. There are six separate forms: Excess bodily injury liability, property damage liability, a combination of these and complementary excess forms including product liability cover.

G. H. Menefee, chairman of the commission's casualty and surety division, has announced these forms must be accompanied by an application for (a) rating.

Plan Sparkling Card for Okla. Agents' Meeting

Plans are nearly complete for the annual convention of Oklahoma Assn. of Insurance Agents, to be held May 13-14 at Oklahoma City.

Speakers already listed are John V. Addy, vice-president Appleton & Cox, Commissioner Hunt of Oklahoma; Kenneth J. Bidwell, assistant U. S. manager of London Assurance; the Reverend W. H. Alexander of Oklahoma City, and James F. White, advertising director of Maryland Casualty.

A discussion on selling mutual policyholders will be presented at a rural agents' breakfast, with Walter V. Geis, Cherokee, as chairman. Participants will be James L. Reinmiller, Hobart; Kenneth McGugin, Enid, and Norville Johnson, Alva. Robert Wood, Tulsa, will head a "Young Agents" panel discussion, in which participants will be Kenneth Martin, Enid; Charles Schefel, Oklahoma City, and J. L. Kephart, Buffalo.

A movie produced by National Tax Equality Assn., "Citizen Dave Douglas," will be shown. Other entertainment features include a banquet and dance, a domestic companies' social hour, a style show for the ladies, a skit by Insurance Women's Club of Oklahoma City, and company open houses.

Court Rules Notice of Claim in Death Needn't Be Immediate

Tennessee court of appeals has ruled that the insured was not bound to give notice of claim to its insurer at the time of decedent's death since there was no reason to believe that a claim for damages would be made 8 CCH (fire and casualty 612.)

In the case of Munal clinic vs Applegate, insured—the clinic—brought suit for declaratory judgment to determine if the defendant insurer, New Amsterdam Casualty, was obligated to defend an action at law brought against insured by Applegate Jr., administrator, in the law court at Kingsport.

The evidence revealed that W. O. Applegate was admitted to the clinic as a patient. Three days later, on June 20, 1952, he escaped and was picked up by the police and confined to jail on a charge of drunkenness. He died that day of a heart attack.

On Feb. 25, 1953, insured was informed by Applegate's administrator that a claim was being made for decedent's death. On Feb. 27 insured gave written notice to the insurer that a claim was being made. Insurer declined liability on the ground that insured had failed to give notice "as soon as practicable" as required by the terms of the policy.

The lower court decreed that insurer was obligated to defend the action at law brought against insured.

The appeals court held that insured

was not bound to give notice at the time of decedent's death since there was no reasonable ground for believing that a claim for damages would be made. The duty to give notice did not arise until subsequent events disclosed that a claim was going to be made. Under the circumstances, insured gave notice "as soon as practicable" within the meaning of the terms of the policy. Decree for insured was affirmed.

The firm of Wilson & Worley of Kingsport was counsel for Applegate and Minter, McLellan & Tipton for Munal clinic.

Ark. Agents' Annual Set for May 19-20

Arthur M. O'Connell of the National Assn. of Insurance Agents executive committee and John S. Perry, assistant manager of the marine department of Fireman's Fund group, Chicago, are on the program for the Arkansas Assn. of Insurance Agents' annual convention, to be held May 19-20 at Hot Springs.

The general sessions will follow the business meeting. Also scheduled are meetings of standing committees, past presidents, the Purple Duck and a dinner dance.

Start Oklahoma Probe of 'Flighty' Companies

A probe of "fly by night" insurance companies in Oklahoma was scheduled to be started this week by the general investigating committee of the Oklahoma house of representatives.

Under chairmanship of Rep. Joe Chambers of Tulsa, the committee will attempt to determine whether certain companies have been living up to terms of their contracts and policies.

The committee planned to ask Commissioner Hunt to provide it with any available information of questionable practices and such information from individuals will also be sought.

N. E. Mutuals Set May 1 Final for Storm Claims

May 1 has been set as the cut-off date for notices of loss from Hurricanes Carol and Edna by mutual companies operating under the New England agency mutual catastrophe plan. The action is similar to that taken by Providence Washington. New notices of loss are not absolutely barred after the deadline, but will require satisfactory explanation for delay after that date.

N. H. Auto Bill Approved

The New Hampshire legislature has passed and sent to the governor a bill to raise the minimum requirements for motor vehicle liability insurance from 5/10/1 to 10/20/5 and to exempt drivers who must carry compulsory insurance from that requirement after seven years of safe driving.

Maercklein Retires

Richard C. Maercklein, agency superintendent for the southern department of Phoenix of Hartford, has retired after 46 years of service.

New Ad Assistant for Allstate

Richard H. Cline has joined Allstate as assistant advertising director. A graduate of Northwestern University school of commerce, he has been in sales promotion work in Chicago.

Daryl Cody has joined Hansen & Rowland, surplus line brokers and general agents, at Seattle as a Lloyd's underwriter. Mr. Cody has been with Armstrong general agency in Seattle.

Single Women Are More Hospital-Prone, Mutual Benefit H.&A. Finds

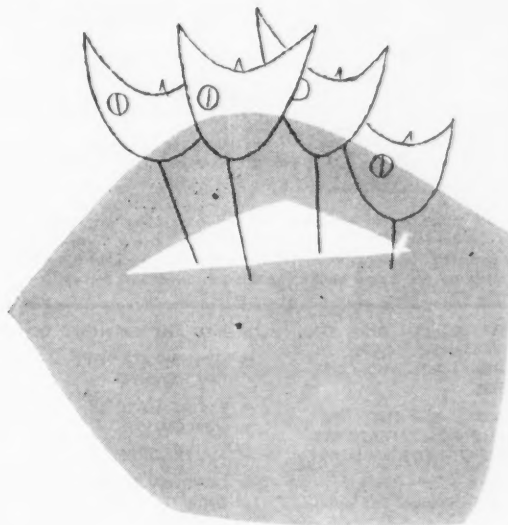
Unmarried women are more likely to go to the hospital than married women, and are more apt to stay there longer, according to findings of the research department of Mutual Benefit H. & A.

The department conducted a 3-year study of 60,000 insured women; ma-

ternity cases were not included. One out of every five single women was hospitalized, as compared to one out of every seven married women. The single women were hospitalized about 38% longer. Findings showed that married women generally were reluctant to go to the hospital.

Peter A. Zimmermann, assistant secretary of Surety Assn. of America, discussed crime and fraud coverages at a luncheon of New York Credit & Financial Management Assn.

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(CONTINUED FROM PAGE 6)

cient time to see, sell and service a client, he must plan his day and exercise strict self-discipline to carry out the plan, Mr. Mannon said. "In considering the work for the coming day, select the prospects to be called on and plan the geographic distribution of your calls." Formulate a plan of "selective selling and prospecting" that will "expand the value of your present clients and point you in the right direction when seeking new clients."

To tap the gold mine of potential

premiums from old customers, many producers divide their accounts into three groups: 1. The largest and best accounts. 2. Accounts with good growth possibilities. 3. Small accounts with little potential, which should be handled as much as possible by mail or telephone.

Admitting that cold canvass efforts should be kept to a minimum, Mr. Mannon pointed out that new business can be obtained only by maintaining a live prospect file. He urged that care-

ful checks be kept on new business, so that undesirable accounts can be weeded out before they cost the agency too much in time and money.

Recommended as the two best methods for doing this were the customer account analysis plan and survey and analysis. To effect a customer analysis plan, Mr. Mannon urged the use of a sales progress record card. This card enables the agent to re-acquaint himself with the client's present coverages and possible needs at the time of renewal.

Going into the survey and analysis plan, Mr. Mannon said that prospects for insurance surveys should be limited to risks which will prove profitable to the agency and to the companies which would be utilized as markets. He recommended that the first type of survey, the risk analysis, be conducted by the agent.

This includes an appraisal of all possible exposures to major loss and an evaluation of the exposures as related to the client's financial position and engineering and inspection relative to accident and loss prevention, including recommendations, rate improvement possibilities and a report of valuations on real and personal property.

After securing this information, existing coverages should be reviewed to determine their adequacy. Mr. Mannon also recommended including sections on verification of rates and premium accuracy, unusual and uninsured exposures and recommendations for coverage and modifications in existing coverage.

A professional and ethical attitude is necessary for the agent conducting such an analysis, he said. Sometimes he might have to recommend that certain coverages be discontinued, Mr. Mannon pointed out, but even a loss in commissions is overcome when the action helps to build a client's confidence. "If an existing contract is well issued, do not hesitate to so state," he said, and "be sure that that which you may criticize is based on well-founded reasons not easily rebuttable."

The foremost aspect of personal service in Mr. Mannon's opinion is the adequate handling of claims. Detailed claim records must be kept so that the case may be followed to see that the company claim man or adjuster has handled it properly. He pointed out that the client must be informed of the procedure followed and the manner in which his claim is being handled, and emphasized the importance of delivering claim drafts in person.

He brought up the subject of financing premium payments as a service to customers and recommended establishing a contact with a local bank or a premium financing firm such as AFCO, so that when the problem arises, the agent will be prepared. "The non-agency fraternity has well-established financing practices," Mr. Mannon said, "hence it is incumbent upon us to offer equal, if not better facilities."

National Surety Has Staff Changes at New Orleans

National Surety has made a number of changes at New Orleans.

James B. Fleming has joined the underwriting staff in the casualty division after experience with Fidelity & Casualty. Arthur L. Dauer has joined the company as assistant underwriter in the bond and burglary department.

He also had previous experience.

Percy A. Mayeaux has joined the staff as a trainee after experience with Black, Rogers & Co. general agency of New Orleans, and J. H. Gilmore, who has been in charge of safety engineering work in Louisiana, has been transferred to the production department as special agent. He is replaced as safety engineer by T. E. Young, who has had experience with the fire prevention division of the city of New Orleans and was with U.S.F. & G. for two years.

Harleysville Mutual has promoted John Buterbaugh from assistant district claims manager at Wilmington, Del., to district claims manager at Roanoke, Va. He joined the company in 1950 as an adjuster trainee and has served as an adjuster in the home office area.



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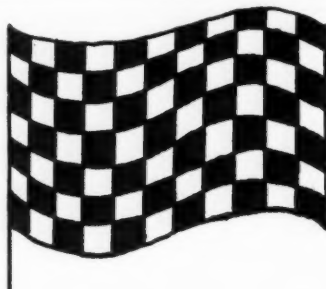
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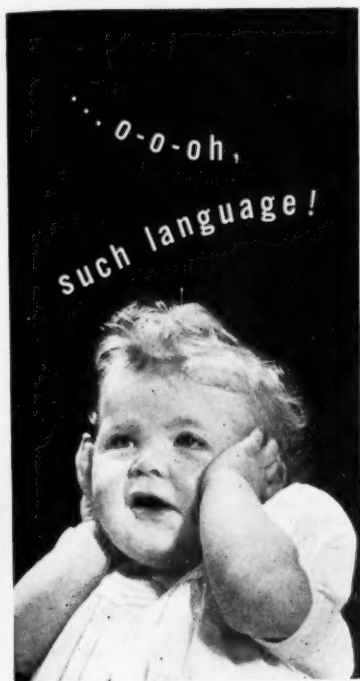
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Urge Formation of Separate Unit for Agency Mutuals

(CONTINUED FROM PAGE 11)

zation of agency mutuals. Members of the federation did not discontinue membership in the alliance but felt that the new organization was necessary because their problems were not the same as the large number of fire mutuals operating on an assessment basis.

The Missouri association article goes on to express the firm belief that the best protection at the lowest possible cost can be provided best through the agency system.

"The fact that some mutual companies operate on a direct-writing basis and oppose the agency system complicates our position," the Missouri article states. "The fact that most stock companies support the agency system makes our position more confusing. It would, therefore, seem difficult to bring the parts of our dual doctrine into juxtaposition."

Pointing out the favorable features of mutual insurance, the article goes on to state "that there is more to insurance protection than merely the issuance of the policy contract. Even the financial stability of the company behind the policy does not guarantee proper protection. At the time of the loss the true value of the policy is determined. Up to that time, one policy is as good as another."

"At the time of the loss the quality of the insurance purchased includes the reflection of the calibre of the man who sold the policy and effected the coverage. It is dependent upon his standing with the company and his position in the loss settlement picture."

"We believe that a direct-writer cannot deliver the same calibre of insurance protection as is provided through a capable mutual agent. It just isn't the same kind of merchandise. The service performed by a qualified mutual agent at the time of a loss is surely much better than that which is obtainable through the salaried employees of direct writers."

"The mutual agent is a friend in the loss picture—a friend who can prove invaluable in making certain that the claim is promptly and equitably settled. The policyholder of the direct writer must accept the ultimatum of the adjuster or resort to litigation. With the friendly, well-informed mutual agent in the picture, the loss is subject to more personal treatment. The better informed the mutual agent is and the higher his standing with the company, the greater the difference in the quality of the insurance afforded. The services of the capable local agent at the time of the loss is as much a part of what the policyholder is buying as the standard provisions of the policy contract."

The article salutes the Virginia-D. C. association for its forthright resolution, and comments that "if we believe in the mutual agency system, we cannot be weak-kneed champions of the doctrine. What is the real reason for the existence of an association of mutual insurance agents? Is it merely for the purpose of holding meetings to discuss the confusion created by the idiosyncrasies of our business? If we pussy-foot around the subject—why have a mutual insurance agents' association?"

Fireman's Fund group has moved its Baltimore office to 800 Court Square building, N. Calvert and E. Lexington streets.

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Texas Board Has Annual Hearing on Cotton Risks

The Texas board of commissioners last week conducted its annual hearing on fire rates, rules and forms for cotton compresses, warehouses, etc.

The elimination of buckets and barrels in the cotton gin rating schedule was asked by a representative of Texas Federation of Cooperatives, who was assured by Norris Parker, manager of Texas Insurance Advisory Assn., that a modernized plan has been filed.

Drex G. Foreman, executive secretary of Texas Assn. of Insurance Agents, advocated elimination of the "cotton gin application."

Filing of a revised schedule for rating cotton gins, reginning plants, cotton products on gin premises, and cotton stocks form 38 was announced. It was made by Texas Insurance Advisory Assn. at the request of Texas Cotton Ginners Assn.

Frank C. Brooks of Southwestern Compress & Warehouse Assn., asked elimination of the note reading "not applicable to cotton warehouses and compresses," saying this is dormant in 90% of the gins. He also objected to the width of space between bales of cotton and the walls of warehouses or compresses. He also objected to restrictions as to the height of stacking bales as proposed by the advisory association.

Wash. Department Rules on Countersignature Dates

The countersignature date need not necessarily concur with the inception date of a fire policy according to a recent ruling of the Washington department.

A complaint was registered by an out-of-state mortgagee who claimed a fire policy written by a Washington agent and countersigned two days after the effective date was not acceptable. The agency bound coverage Feb. 10 and issued the policy on receipt of complete information on Feb. 12, countersigning the policy on that date. The agency contended that it would be improper to date the countersignature other than on the date of actual issuance of the policy.

The complaint of the mortgagee was based on its manual relating to insurance procedure in connection with its loans.

The department ruled when the policy is issued, it is issued on the effective date of the original binder, but the countersignature date would be on the date the policy was actually issued.

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Recommend Merger of A&H Trade Group Functions

(CONTINUED FROM PAGE 2)

dissolution of their organizations and distribution of their assets. It is contemplated that the amended constitutions would require dissolution of both organizations at the expiration of some fixed period, such as six months after the date of their special meetings.

The plan contemplates that the board of directors of the new association would be responsible for securing the staff, establishing the location of offices, and fixing the date for putting the new organization into operation.

The report recommends the election of a public relations committee from the new organization to determine policy for a public relations organization, with the funds for the program being the responsibility of the new executive board.

The merger proposal was developed by the joint committee's task force No. 1, which was given a two-point responsibility: (1) Designing a streamlined A&H trade association. (2) Planning and implementing an industry-wide public relations instrumentality. The detailed plan was constructed by a subcommittee headed by Wendell Milliman, New York Life.

Members of the task force are W. L. Bates, Fidelity & Casualty; R. Howard Dobbs Jr., Life of Georgia; Jay C. Higdon, Business Men's Assurance; R. L. Maclellan, Provident Life & Accident; John Moyler Jr., Life of Virginia; H. Ladd Plumley, State Mutual Life; James E. Powell, Provident & Accident; J. Henry Smith, Equitable Society; Travis T. Wallace, Great American Reserve; Graham Watts, Royal-Liverpool; Mr. Milliman, and H. Lewis Rietz, Great Southern Life, chairman.

Besides the conference and bureau, trade associations represented on the joint committee are American Life Convention, American Mutual Alliance Assn. of Casualty & Surety Companies, Life Insurance Assn. and Life Insurers Conference.

The bureau has 94 member companies, of which 57 are casualty insurers, 34 life and three A&H only. The conference has 200 plus members, divided as follows: 122 life, 34 casualty, 34 A&H only, the balance consisting of reciprocals, reinsurers a fraternal, etc.

Write Power Project Bonds

Surety bonds totaling \$2,794,678 have been obtained by Gunther Shirley Co. of Los Angeles and the Lane Co. of Sherman Oaks, Cal., as joint venturers for construction of a 33,000 kilowatt hydro-electric plant for Imperial Irrigation District, Imperial county, Cal. Hartford Accident is surety for Gunther Shirley and U.S.F.&G. is providing the bond for Lane.

Slate Two More Sessions of North Dakota Seminar

An insurance seminar sponsored by North Dakota Fire Underwriters Assn. and North Dakota Assn. of Insurance Agents opened this week with sessions at Dickinson, Bismarck and Valley City and with other sessions scheduled for Devils Lake April 27 and Minot on April 28.

Field men of stock companies led discussion meetings. Speakers included Paul Olinger, Chicago manager of Agricultural; Irvin Artes, Hartford Fire; C. J. Mullican, fire manager of Fireman's Fund, and Irwin G. Cox, American.

GAB Promotes John Park in Pacific Department

John W. Park, executive assistant, has been promoted to assistant general manager in the Pacific Coast department of General Adjustment Bureau.

Mr. Park has been in insurance since 1927, starting with Liverpool & London & Globe. Later he was with the D. F. Broderick organization at Detroit as vice-president. He joined GAB in 1942 as branch supervisor at Los Angeles, and in 1949 became executive assistant in the Pacific Coast department.

E. E. Hotchin Retiring from Michigan Millers Mutual Post

Earle E. Hotchin, chief fire protection engineer of Michigan Millers Mutual of Lansing, has retired after service with the company since 1916, directly after his graduation from Michigan State College.

Mr. Hotchin was a founder and past president of Assn. of Mutual Fire Insurance Engineers and a charter member of the Society of Fire Protection Engineers. He plans to continue as secretary of Assn. of Mutual Insurance Companies of Michigan, a position he has held for many years.

Two Lloyd Caldwell Offices Moved

Lloyd Caldwell Corp. Claims Service has moved its Dallas office to 4403 North Central Expressway and its Houston office to 2711 South Main street.

Gopher 1752 Club Hears Sheehan

Commissioner Sheehan spoke at the April meeting of Twin City Gopher 1752 Club.

Insurance Women of Los Angeles will hold their April meeting April 19, at which time the candidates for officers for 1955-1956 will be named, with election to follow May 19 and installation of the new officers on June 7.

Blasts Federal Invasion of Insurance Control

(CONTINUED FROM PAGE 1)

publicity, he maintained and these fringe elements are not representative of the true character of the business.

The commissioners in zone 6 of NAIC have unanimously registered official protestations of the intervention of federal agencies into the rights of the states to regulate insurance, Mr. McConnell said. He commented that more insurance executives are becoming concerned daily with the acts of FTC and the interstate commerce commission as well as the justice department, to invade the states with the objective of centralization in Washington. The latest move by ICC is to examine the character of insurers on ICC risks, looking into their ability to perform, the adequacy of reserves, etc., all to be examined by ICC beyond what is done by the state.

Mr. McConnell said he does not believe it is his duty to preach or make speeches or write articles. There is no place for headlines in the commissioner's activities because the commissioner is equipped with duties and not power. Along that line, he referred to the practice in California in the past of issuing bulletins which would have the force of law. In the event some of these preceding bulletins prove detrimental to the industry, he said there may be a repeal of them.

The principal duty of the commissioner is to solvency of insurers and their examination, not investigating allegations, Mr. McConnell said. He attacked the rumor that has circulated that leniency will be the rule under his administration. There should be no illusions on that score, he warned, for the fringe operators will be dealt with severely.

In opening the conference sessions, Ralph L. Inglis, Founders conference president, remarked that the membership is made up of stock companies operating under the agency system. The conference is only a few years old, but it has taken a prominent place on the insurance scene, he said.

The program opened with a closed session panel discussion on casualty underwriting problems. C. R. Herda, Pacific Indemnity, was moderator, and those participating were Hugo H. Methmann, Fireman's Fund; W. Russell Langtry, United Pacific, and C. J. Mellany, Swett & Crawford.

On the second day there was a panel session covering surety and reinsurance with A. Douglas Mennie, Industrial Indemnity, as moderator. Talks were given by Ashby C. Taylor, American Automobile, on fidelity and surety underwriting problems, T. A. Long of National Fire on competition, Frank A. Proper of Employers Reinsurance on trends and contract bond underwriting, and Earl A. Davis of Pacific Indemnity on formula underwriting trend of contract bonds.

Raymond A. McGuire, Pacific Employers, was in charge of a panel on workmen's compensation in which the participants were John C. Sutherland, Allied Compensation, and James R. Deering, Guarantee.

The session on casualty insurance public relations was moderated by Albert H. Wood, public relations director of Western Insurance Information Service. James T. Blalock, Pacific Indemnity, president of WIIS, commented on the improvement that has been made so far, but said the

surface has only been touched. Speeches and news releases alone will not do the job—every means of influencing public opinion will be used with the support of every person in the industry, he said.

Karl F. Vasen, president of Southwestern Insurance Information Service, and Ralph C. Lewis of WIIS also spoke on this subject.

Shelby Cullom Davis of Shelby Cullom Davis Co., New York stock investment firm, also took up the need for improved public relations in insurance.

Participating in the discussion on the 1954 internal revenue code and its effect on fire and casualty companies were Charles W. Tye of Joseph Froggatt & Co.; Harold L. Baird of United Pacific; Roy Langston of Traders & General; James McQuiggan of National Automobile & Casualty; A. H. Plyer of Employers Casualty; J. A. Van Roo of Pacific Indemnity, and Fred Hass of Firemen's Fund. W. H. Crawford of Industrial Indemnity was moderator.

Companies with officials present at the meeting were Allied Compensation, American Automobile, American Reinsurance, Balboa, Canadian Fire, Civil Service Employees, Employers Indemnity, Fireman's Fund, Founders, Freedom, General Reinsurance, Guarantee, Gulf, Harbor, Houston F. & C., Industrial Indemnity, Ins. Co. of North America, ICT, Interstate Indemnity, Meritplan, National Fire, New Zealand, North American C. & S. Reinsurance, North Star Reinsurance, Olympic, Oregon Automobile, Pacific Automobile, Pacific Employers, Pacific Indemnity, Public National, Rainier National, Republic Indemnity, St. Paul F. & M., Sterling Offices, Traders & General, Trinity-Universal, United Pacific, Zenith National.

Maydahl Named at Lewiston

Northwestern Mutual Fire has opened a district claim office in Lewiston, Ida., with Richard W. Maydahl as manager. Mr. Maydahl, a Gonzaga University graduate and an attorney, joined Northwestern in 1952 as adjuster at Spokane.

Reserve Expanding at Chicago

Reserve Ins. Co. is expanding its facilities in the Reserve building, 180 West Adams street, Chicago, by adding a suite of executive offices now under construction. The new, modern air-conditioned offices will include space for use by visiting agents. Reserve's premium writings were up substantially for 1954 with an increase in earned premiums reserves of 29.9%. Unearned premium increased 27.7%.

Write Two Big Surety Bonds

LOS ANGELES—Fidelity & Casualty is surety for Clyde W. Woods & Sons of North Hollywood on a \$1,623,018 Los Angeles river contract awarded by the army engineers.

General of Seattle has provided surety for McDonald & Kruse of Sun Valley, Cal., for a \$1,508,227 contract for improvements at the Arcadai wash channel, Los Angeles county drainage area. The contract was also awarded by the army engineers.

Mountain Club to Hear Davol

Walter D. Davol, Manchester, N. H., local agent, will discuss the valued policy at a meeting of the Mountain Insurance Field Club at the Manchester country club April 18.



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(CONTINUED FROM PAGE 7)

exposure. The market for products or completed operations coverage is substantial from a "sales" standpoint!

Mr. Hey pointed out that there are any number of producers who will settle for no less protection for their clients than that afforded by a broad form policy. Agents who haven't tried it might be surprised to learn how large a percentage of their business can be converted by the simple expedient of a two point program requiring: (1) a review of present business; and (2) solicitation of new broad form accounts with the aid of survey forms provided by company.

Referring to the first point, he told the agents it was important that they protect what they now have, to say nothing of increasing their income by selling additional protection; that they shouldn't forget they can automatically pick up coverage written through a competitor under limited form policies. As to the second point, the survey form serves the important purpose of analyzing the business hazards of each client, and will develop exposures which they and perhaps the client may not realize exist.

It is significant that certain forms of insurance, recognized equally as valuable as savings or investments, require little sales effort. No one needs to be "sold" today on life or annuity insurance, fire and extended coverage,

boiler and machinery or business interruption. These are indemnity forms which become monetary assets when payments are realized. In casualty there is almost a parallel with respect to automobile insurance where more policies are sold over any other type of legal liability protection.

But in consequence of the conduct of a business, the legal aspects of injury, death or damage are equally prevalent with, however, the greater difference that the various ramifications of a business do not lend themselves to a single, specific type of insurance policy.

Consequently, Mr. Hey said, no less than the complete features of the broad form policy should be sold and where they are applied they are providing the best possible protection.

Touching on medical payments protection, he said the successful operation of any business depends largely upon the good will and public relations between seller and buyer.

Accidents occurring upon business premises frequently involve circumstances under which the operator could not be held legally liable. But injury may be serious, requiring medical, surgical or hospital treatment. To bridge that gap it is strongly recommended that clients' attention should be called to medical reimbursement in-

surance—the voluntary, non-legal liability offering which can be obtained for accidents occurring on insured premises when sustained by members of the public. The cost is not great.

Atlantic Group Names Meyer Marine Special

The Atlantic companies have named Robert K. Meyer marine special agent for upstate New York. He will work under Matthew A. Donner Jr., manager at Syracuse. Mr. Meyer joined the companies in 1946 and has served in the home office inland marine department as an underwriter.

Michigan Mutual Men Plan Regionals for May 18-19

Michigan Assn. of Mutual Insurance Agents will sponsor a series of one-day regional meetings this year to replace the spring convention of the Michigan 1752 Club. Plans are under the direction of Association President Eldon Smith.

On May 18 meetings will be held at Detroit, Marshall and Mt. Pleasant and on May 19 there will be sessions at Grand Rapids, Lansing and at a point near Flint and Saginaw.

Ronald Butler of Flint has been named chairman of the association's new agency management committee. Other committee chairmen for the year are: Membership, Charles Venema, Kalamazoo; finance, A. Vanden Brink, Zeeland; company relations, Russell

Ballard, Flint; program, Morris DeFour, Grosse Pointe Woods; ethics, William Seaks, Grand Rapids; by-laws, Helen O'Hara, Detroit; legislation, Fred J. Stringham, Lansing; publicity, Ronald DeKuiper, Fremont, and entertainment, G. S. VanDeusen, Detroit.

Charles White, Fremont, has been named by Commissioner Navarre as the mutual agents' representative on a special committee designated to make recommendations for overhauling the Michigan code.

Mariners Hear Review of Iron Protection

Warren A. Coan, resident secretary of American Indemnity, discussed minimum standards and specifications for construction and installation of iron protection on mercantile risks at the April 14 meeting of Mariners of Chicago. Chicago Burglary Underwriters Assn. for a year has had a special committee working with major iron construction companies in Chicago on this problem, and Mr. Coan, a past president of the Burglary Underwriters, discussed the situation.

F. & D. Writes \$5 Million Bond

LOS ANGELES—McDonald, Young & Nelson and Morrison-Knudsen Co., both of San Francisco, as joint venturers, have been awarded a contract for road improvements in San Francisco City and county, by the state department of public works, at their bid price of \$5,213,162. Fidelity & Deposit of Maryland is surety on the work.

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Reorganization of Mutual Underwriting Discussed at Chicago

Whether reorganization of underwriting and engineering activities is essential if mutual property insurers are to maintain their favorable price differential was under discussion at the annual mutual fire conference at Chicago.

The conference attracted some 300 underwriters and engineers. It is sponsored by Federation of Mutual Fire Insurance Companies, in cooperation with Assn. of Mutual Fire Insurance Engineers.

"The strong point about mutual fire and casualty insurance always has been that through skilled and selective underwriting, and because of greater emphasis upon engineering and inspection service, we have been able to provide protection for property-owners at lower cost," Gary H. Kamper, Milwaukee, president of Badger Mutual and of Federation of Mutual Fire Companies, asserted in the principal address of the meeting. "Obviously our intelligent competition could make inspections just as skillfully as we do and provide the same quality of engineering and underwriting if they had the same goal and instructions as we have, and wanted to do the same sort of job."

An important question, he said, is whether the present economic picture will permit the individual mutual company to continue its highly selective inspecting and underwriting. Will it be practical to do so under the lower rates, tighter rating laws, and other limitations imposed upon companies? "Will we be able to continue careful risk selection in the face of the strong competition that becomes more apparent each day?"

Because of greatly increased premium volume and the growing complexity of the business, better organization of the underwriting and engineering functions may be called for, he suggested. "Must we try to educate each 'underwriter' to the point where he can make major underwriting decisions, or should the underwriting decision function be centralized higher up the line, with the detailed underwriting work done by supervised individuals or machines? Do we need people who actually hold engineering degrees to carry on the type of inspection activity necessary to maintain the mutual price advantage?"

It has become obvious during recent years that the demand for "degree" engineers greatly exceeds the supply, Mr. Kamper added, and the need for such personnel in certain types of industry is bidding up the price which the graduate engineer can command.

If every underwriter in a mutual company were highly trained and educated in his specialized field to handle a company's underwriting activities, and if every inspector held an engineering degree and were trained to handle loss prevention activities, then the individual company obviously would be able to hold its losses to the minimum, but Mr. Kamper said the potential salary load makes this impossible for most individual companies.

He stressed that insurance educational activity today is devoted largely to sales, and that little attention is paid to the underwriter, even though he is the one individual in the business who has a unique job, being expected to be

able to judge the hazards of insuring everything from anhydrous ammonia plants, lespedeza seed in warehouses, and ethylene processes for ripening bananas down to house-trailers.

James C. O'Connor, executive editor of the *Fire, Casualty & Surety Bulletins*, contended that the job of the underwriter of the future can hardly be anything but more difficult, even though there may be fewer actually professional underwriters than at present. He said the consequences of each underwriting mistake will be greater. While mechanization of underwriting information will make it possible to secure much more general information, it will make it more difficult to segregate information as to an individual risk. Accumulation of data concerning possible moral hazard may become much more difficult due to legal developments in the fields of slander, invasion of privacy, and the like.

The effect of multiple-line operation upon the underwriting function will be great, he said. The underwriter will be required to decide whether a substandard fire line balances a desirable liability or fidelity line, so that he will have to consider a complex over-all picture in connection with risks of even fairly large size. Broadening of forms will complicate underwriting, in his opinion, and almost all changes today are broadening as to forms. With a mass insurance market in many lines, the underwriter will even be forced to consider public relations.

An analysis of wave-wash losses in last fall's hurricanes was given by Gordon Davis, secretary-manager Mutual Loss Research Bureau. He said that while in Carolina wind-water damage probably was responsible for only about 1% of the number of losses, it accounted for probably 12½% of the dollar amount of loss there. While recognizing that many beach properties must be carried as "accommodation lines" for policyholders having substantial holdings in other locations, he recommended that underwriters try to avoid unexpected concentrations of risk by mapping coastlines, that they avoid writing first and second row structures on all beaches, avoid concentration on new beaches which are usually of low elevation, be careful of property elevated less than 10 or 12 feet even on older beaches, and prefer frame over concrete block construction.

S. F. Coffin, vice-president Lumbermens Mutual of Mansfield, O., in analyzing fire loss trends over the past two decades, stated: "I doubt very much if the factors operating favorably on the burning ratio are sufficient to offset the many rate reductions that have taken place during the past three or four years, and others that we may anticipate. I think we may well expect higher fire loss ratios than we have experienced in recent years, and particularly in some classes, notably the residential groups." He pointed out that in recent years some factors operating favorably on the burning ratio have been: Improved construction, improved public protection, improved private protection, better knowledge for controlling hazards, and a slow but gradual interest on the part of the public in the importance of fire protection.

In urging closer coordination of sales and underwriting activity, H. L. Toser, vice-president Hardware Mutuals, noted: (1) since producers are regarded as "first line underwriters" they should be so treated; (2) when evaluation of

risks by a producer is consistently at variance with your own, something must be done; (3) producers are co-operative if they understand underwriters' decisions; (4) closer contact between producers and underwriters removes misunderstanding; (5) interest of the experienced producer in loss ratios is greater than commonly realized; (6) facts regarding "delays" in getting action on rating bureau and regulatory matters often are not known to the sales organization.

Ohio Farm Bureau in Department Store Sales

(CONTINUED FROM PAGE 1)

dising. Allstate, an affiliate of Sears, Roebuck, has for several years been merchandising automobile insurance in the Sears stores with phenomenal success.

The announcement of the Farm Bureau plan says the companies will also service the policies in the Hecht stores and will take changes of address and beneficiary, collect premiums and prepare claim reports. There will be two agents on duty at the Washington Hecht store during all hours, and one agent each at the stores at Silver Springs, Md., and Arlington, Va.

The sales counters are located on the first floor, just off the center aisles and are clearly marked with signs. Telephone calls for insurance will be routed to the Farm Bureau agent in the store nearest the home of the potential customer. There will be ads in the Washington newspapers and on the radio and TV, and announcement of the new service will be mailed to all customers of the Hecht stores.

"We're very happy to be able to offer this new convenience to our customers," Harry M. Davidow, vice-president and general manager of the Hecht Co., is quoted as saying. "But we're in no sense of the word going into the insurance business. We've simply rented space to the Farm Bureau insurance companies."

Saskatchewan Insurer Gets OK in Montana

(CONTINUED FROM PAGE 1)

by loss of business "is a wrong for which the law, in the opinion of the court, provides no remedy."

Action against the company was first filed in district court at Helena, and then was taken to the U. S. district court. The federal judge held that he had no jurisdiction and referred the action back to the state court. It was given to Judge Shea while sitting at Helena in the Lewis & Clark county district court.

While the case was in progress, Saskatchewan G. & F. asked for a license in North Dakota and was refused by Commissioner Jensen. In the meantime bills have been introduced in three or four state legislatures to require the commissioner to refuse a license to an insurer that is owned by a foreign government. All of these measures are an outgrowth of the Saskatchewan G. & F. case. The company has also been denied a license in Alaska.

Saskatchewan G. & F. deposited \$200,000 as security with the Montana department and was licensed on Nov. 18, 1953. The agents protested, and Commissioner Holmes froze the operations until he received an opinion from the attorney general that he was within his rights to grant the license. On March 29, 1954, the agents filed suit through Mr. Waite in district court at Helena, naming Mr. Holmes as a

Tells Young Agents Evening Calls Will Stop Inroads

Competitive problems dominated a two-day conference of young agents held at Granville, O., under the auspices of Ohio Assn. of Insurance Agents. G. F. Avery, manager for U. S. F. & G. at Pittsburgh, as the banquet speaker, said it is time insurance men supporting the American Agency System went back to work. Neglect on the part of agents and company men gave the direct writers their strong hold on the business, Mr. Avery said. Many insurance men have been "direct mail agents" for 10 years or more.

Now, with multiple line and package policies, this type of competition can be beaten if the agent will get back to making evening calls. Also, he should be identified with his community and should neglect no opportunity to tell "the insurance story."

Two speakers stressed across the board selling as a means of barring competition. Verne Niederlitz, American, Columbus, described family protection surveys his companies are making available to producers and showed American's new slide film, "Sell the Whole Umbrella."

F. X. Downey, Parma, described how several years ago he decided he had to quit selling policies and start selling the whole account. This he has done, even to the extent of turning down business on other bases, and with decidedly successful results.

T. M. Gray, secretary of Ohio Assn. of Insurance Agents, reported legislative developments, particularly the defeat in committee of the bill to break Ohio's workmen's compensation monopoly. Mr. Gray also explained the bill sponsored by the Ohio insurance department to require filings on all inland marine lines.

Dwelling forms and residence package policies were discussed by B. P. McMackin Jr., assistant editor of *The Fire, Casualty & Surety Bulletins*. Chairmen of conference sessions were J. E. Griffith, Girard; D. C. Picton, Toledo; T. W. Wagner, Steubenville; Donald Mense, Hamilton; R. L. Cook, Martins Ferry, and J. H. Goodrich, Springfield. C. C. Collins and Mary Colvin of the association's headquarters staff were on hand to supervise conference details.

The day after, the Montana department told Saskatchewan G. & F. its license would not be renewed, but this was not followed through when the insurer filed a mandamus action. Saskatchewan G. & F. also filed a motion to move the case from district to federal court, but this failed because Commissioner Holmes did not join in the petition for removal. The case was remanded to the district court in Lewis and Clark county. The first judge was disqualified, and Judge Shea was appointed to hear the case. The law firm of Loble & Loble of Helena has represented the agents in the action.

Snyder Bros. Named in Ga.

Snyder Bros. general agency of Louisville has been appointed general agents in Georgia for Canadian Fire. Snyder Bros. also are general agents in Kentucky and Tennessee for Canadian Fire and Canadian Indemnity.

Ely, Bahr, Frost, Harrison Get New Posts with Home

Edwin H. Ely has been elected vice-president and secretary of Home Indemnity, Rudolph Bahr and Norman C. Frost have been named secretaries of Home and Ben T. Harrison was made assistant secretary of Home Indemnity.

Mr. Ely, with the company since 1920, has been vice-president and secretary of Home since 1954 when he assumed charge of the loss and claim operations.

Mr. Bahr joined Home in 1938 as an adjuster at Newark and was named an assistant secretary in 1952. Mr. Frost, assistant secretary since 1953, joined the company in 1938 as a special agent agent.

Mr. Harrison joined Home Indemnity in 1950 as assistant manager at Dallas. In 1951 he was named manager there. He has been transferred to New York.

Several New Officers Are Elected by Continental Companies

Howard C. Reeder, executive vice-president and a director of Continental Assurance, has been elected a director of Continental Casualty, and J. M. Smith, 1st vice-president and a director of Continental Casualty, has been elected to the board of Continental Assurance. Several new officers were elected, Richard H. Samuels, financial secretary, becoming a vice-president of both companies; C. R. Carpenter becoming a vice-president of Continental Casualty; Jacques W. Sammet becoming counsel of both companies; Oliver M. Townsend assistant general counsel of the life company, and Guy Strafer assistant secretary, becoming assistant treasurer and assistant secretary of both companies.

The election of Mr. Carpenter was reported last week.

Mr. Samuels has been with Continental since 1936, starting as an investment analyst. He was made head of the investment research department in 1940 and assistant treasurer of both companies in 1950.

Mr. Sammet started in the claim department of Continental Casualty in 1940. After service in the marines, he rejoined the company and in 1951 became assistant manager of the marine department.

Mr. Townsend joined Continental Casualty in 1942 as assistant tax attorney, later becoming tax attorney and finally associate counsel for both companies.

Mr. Strafer was with the Harris Trust & Savings Bank, Chicago, before joining the Continental in 1945 as head of the security training department. Subsequently he was selected assistant secretary of both companies.

Buyers to Hear W. R. White

Walter R. White, vice-president of Lumbermens Mutual Casualty, will address the April 21 meeting of Mid-West Insurance Buyers Assn. of Chicago. His subject will be "New Developments in Boiler and Machinery Insurance."

Immunity Bills in Mo.

Hearings were conducted by the Missouri house judiciary committee this week on two bills which would in effect remove the status of immunity for hospitals, charitable and religious organizations, schools, etc.

Agent Examination Bill Is Signed in New Mexico

Gov. Simms of New Mexico has signed the bill providing for a written agent examination. This is the law the agents have been working on for some time. Another bill now enacted into law designates the insurance commissioner as state fire marshal for the purpose of promoting fire safety.

A bill revising and strengthening the financial responsibility law has been signed and will take effect Oct. 1. The old law was the judgment type and applied to future accidents. New Mexico will now have the security type FR law requiring all parties involved, regardless of fault, to show financial responsibility.

Among the bills that were defeated was one levying an 8% tax on all fire premiums within the city limits of various municipalities; a bill to create a state fund for workmen's compensation, and an act to provide for a workmen's compensation commission.

S. P. Rodgers to Go on Reserve Roll April 30

Samuel P. Rodgers, vice-president of American Home and Ins. Co. of the State of Pennsylvania, on April 30 will go on the reserve roll, but will continue in an advisory capacity and as vice-president of both companies and as a director of State of Pennsylvania.

Mr. Rodgers will continue to live at Wayne, Pa., a suburb of Philadelphia. He started his insurance career in 1893 in the supply and mailing department of the Old Spring Garden of Philadelphia. He served in nearly every department of the home office and was also in the field until 1930 when he became manager of the Philadelphia and suburban office. In 1906 he was promoted to assistant secretary, and in 1911, when Spring Garden amalgamated with State of Pennsylvania, Mr. Rodgers continued as assistant secretary, becoming secretary of State of Pa. in 1923. He was elected vice-president in 1925, and in 1944 became vice-president also of Globe & Rutgers and American Home.



Samuel P. Rodgers

Mid-Continent Expanding

Mid-Continent of Dallas is being reactivated for the writing of fire and allied coverages. Conrad C. Hill, former president of Continental Fire & Casualty of Dallas, who has been in the business for more than 40 years, has been elected executive vice-president and will be in charge of the expanded operations. Kenneth Murchison is president of Mid-Continent, and the other officers are: Vice-presidents, Fred Russell and John W. Finley; secretary-treasurer, Bell Brown. Mid-Continent is licensed in Texas, Kansas, Nebraska, Minnesota, Colorado and Wyoming. The company has been specializing in crop-hail insurance.

Buys Adjustment Company

T. H. Heaton, who has been with the E. B. Porter Adjustment Co. in Austin, has purchased the business and will continue to operate it under its present name. Mrs. Heaton is associated with him.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

up with language that all members could agree on but there is still a possibility that this will not be possible and the dissenting member will submit a minority report.

During the committee's meeting in New York city last week, Mr. Knowlton indicated the report would be ready to send to NAIC members before the annual meeting next month but he said this week that in view of the committee's inability to achieve unanimity on this important point of extraterritorial jurisdiction the committee would doubtless have to meet again in Los Angeles just before the meeting in a final attempt to agree on a report. He plans to finish the draft of the report in the next few days and send it to the committee members to go over, after which it will be redrafted.

According to sources other than Mr. Knowlton, the dissenting member is Commissioner Martin of Louisiana, a former president of NAIC.

Greenway Elected V-P of Pacific National

William L. Greenway has been elected president of Pacific National Fire. He has been with Pacific National in various capacities for 20 years. He will continue with headquarters at the eastern department offices in Philadelphia.

More Banks Scrutinized on Auto PHD

The Massachusetts department is continuing to scrutinize arrangements under which banks in that state handle placement of physical damage insurance on automobiles they finance. Inquiries are being made of banks other than National Shawmut of Boston, which agreed to end an insurance arrangement with Pacific National and a reinsurance arrangement with American Universal, a Maurice H. Saval insurer, after the department filed a complaint in the matter.

The department's interest is said to be in determining if such arrangements place the bank in the position of an insurer or if the anti-rebating law is being violated.

Local agents in New York state are said to be disturbed about agreements under which banks are handling auto PHD, particularly in the Rochester and Buffalo areas. These are called bank-agent auto plans but are written on a wholesale basis with the agent in the local community getting a nominal commission, say 3%, to countersign policies in that area. The originating agent or broker gets a commission that is small in percentage but that covers what in some instances is a very large volume of business. The customer is charged manual rates, it is said, but the bank gets up to 20% deviation in the rate plus a commission.

Hoosierland Bureau's New Auto Coverage Follows National Bureau Line

Hoosierland Rating Bureau, has announced new standard liability and physical damage auto policies that are essentially the same as those recently introduced by National Bureau of Casualty Underwriters. There is no increase in rate for the broader coverage. Two differences in the Hoosierland policies include robes and wearing apparel coverage and transportation expense reimbursement, providing the insured with the cost of transportation from scene of accident to his home or business. Both of these coverages are longtime features of Hoosierland contracts and are retained, on an optional basis for member companies, in the new policies.

The bureau's membership includes 70 automobile companies, representing about half of the auto business done in Indiana.

Card Ready for Oklahoma Mutual Agents Meeting

The program has been completed for the spring meeting of Oklahoma Assn. of Mutual Insurance Agents, to be held April 28-29 at Tulsa. Burte Banks will be moderator.

Speakers are Commissioner Hunt; Byne Bowman, attorney; Frank Streetman, mayor of Sasakwa; Stanley M. Barnes of the anti-trust division of the Department of Justice; R. Smallwood, Improved Risk Mutuals field service supervisor; David Johnson of Southwest Adjustment Co.; Attorney

Gerald K. Donovan, formerly of the Oklahoma industrial commission; and Donald Cunningham of the safety responsibility division.

North America to Fete 4,000 Lawyers and Ike

North American will be host to 4,000 members of American Bar Assn. and their guests, President Eisenhower and Chief Justice Warren of the U. S. Supreme Court, at a luncheon on the Mall in Philadelphia Aug. 24.

The luncheon will precede ceremonies to be held at Independence Square by the association commemorating the 200th anniversary of the birth of Chief Justice John Marshall.

The luncheon will be one of the largest ever held in the open in the center of a major city.

1952, 1953 Figures for AR in Texas Given

AUSTIN—Experience figures for two policy years on risks placed through the Texas assigned risk plan have been released. For the 1952 policy year combined total premiums were \$296,605 for a loss ratio of 75.3%, and for the 1953 policy year premiums aggregated \$549,758 and losses were \$543,157 for a ratio of 98.79%.

Broken down for the two years, the figures follow: For 1952, BI premiums \$230,805 and losses \$158,437 (68.65%), and PD premiums \$163,068 and losses \$138,168, (84.73%). For the 1953 policy year, BI premiums \$308,843 and losses \$322,691 (104.48%), and PD premiums \$240,915 and losses \$220,446 (91.51%).

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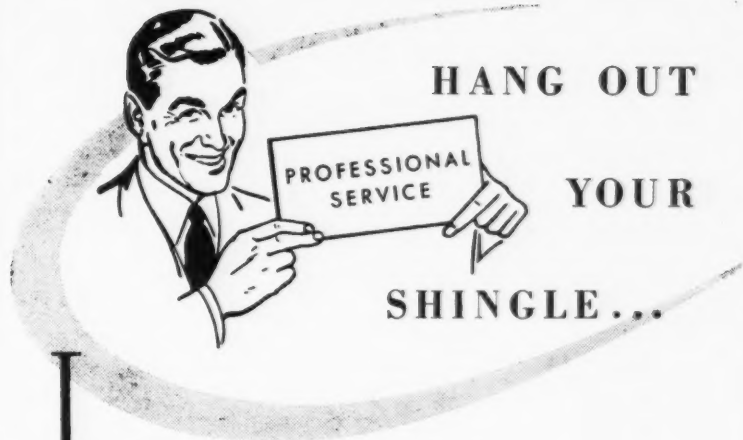
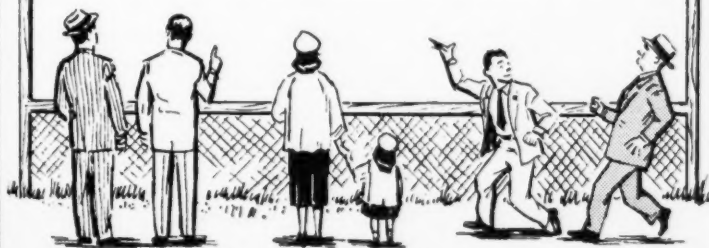
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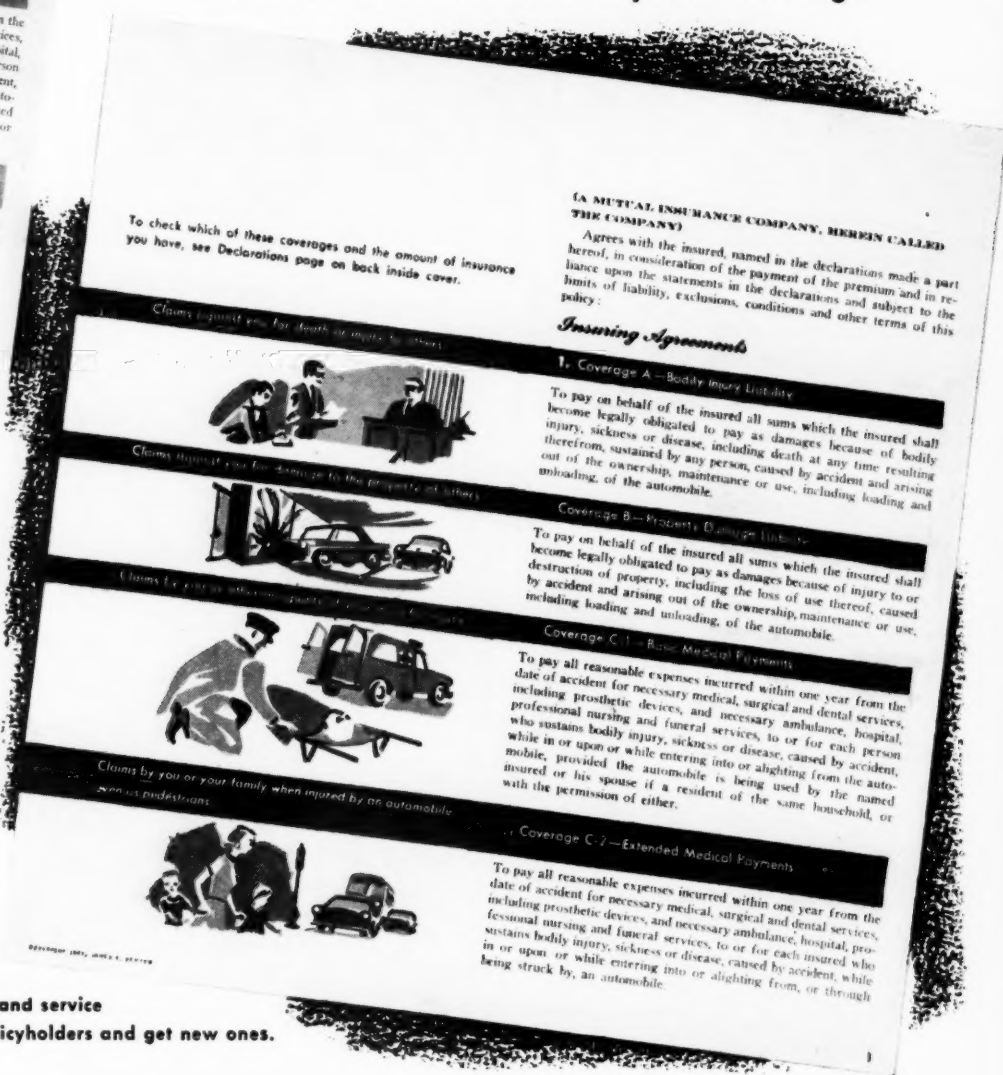
NEW! Complete Index

NEW! Illustrations explain coverages

It's another "first" for the Kemper Companies (along with Kemper-Matic and the Kemper Approved Insurance Advisor Program) the new booklet auto policy... with illustrations and a complete index of coverages.

It became available April 1, and contains the provisions of the broadened standard auto policy.

It's another effective Kemper sales-and-service tool helping the agent hold old policyholders and get new ones.



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Operating in New York state as (American) Lumbermens Mutual Casualty Company of Illinois

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(This policy is not available in Virginia or Canada; modified version available in Massachusetts)